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17 May 1985

## LATIN AMERICA REPORT

## CONTENTS

## INTER-AMERICAN AFFAIRS

|   |        |
|---|--------|
| Lusinchi, Betancur Discuss Central American, Bilateral Issues<br>(Nicolas Rondon Nucete; EL UNIVERSAL, 1 Apr 85)..... | 1      |
| Herrera Campins, Caldera on Contadora Peace Efforts<br>(EL UNIVERSAL, 3, 8 Apr 85).....                               | 4      |
| Herrera's Views, by Jorge Villalba<br>Caldera's Views   | 4<br>5 |
| Chile, Argentina Stress Tourism Toward Better Relations<br>(LA NACION, 24 Jan 85).....                                | 8      |

## ARGENTINA

|   |    |
|---|----|
| Canadians Offer Assistance With Satellite System<br>(TELAM, 25 Apr 85).....           | 10 |
| RIEL-NEA Project Aims To Serve Three Provinces<br>(LA PRENSA, 19 Apr 85).....         | 11 |
| Key Points in Technology Transfer Bill Outlined<br>(CIENCIA Y TECNICA, 4 Nov 84)..... | 15 |

## BELIZE

|  |    |
|--|----|
| Home Affairs Minister Pledges War on Drug Trade<br>(CANA, 23 Apr 85).....            | 17 |
| Central Bank Calls Trade Key to Economic Prosperity<br>(EXPRESS, 26 Apr 85).....     | 18 |
| Details, Assessments of UDP Victory in Local Elections<br>(AMANDALA, 29 Mar 85)..... | 19 |
| Dangriga, San Pedro Situations   | 19 |
| Vote Totals  | 20 |

|  |    |
|--|----|
| More Details on Esquivel Budget; Objections Surface          |    |
| (THE BEACON, 30 Mar 85; THE BELIZE TIMES, 31 Mar 85).....    | 22 |
| Reaction to 'Existing Conditions'                            | 24 |
| PUP Criticism  | 24 |
| Assessment of 'Contradictions', Editorial                    | 26 |
| Briefs   |    |
| Mexican Ambassador   | 29 |
| BOLIVIA  |    |
| \$700 Million Sought To Develop Amazon Region                |    |
| (HOY, 27 Mar 85).....  | 30 |
| Peasants Demand Electrification Funds                        |    |
| (PRESENCIA, 29 Mar 85).....                                  | 32 |
| ADN Could Turn Over Some COMIBOL Firms to Private Sector     |    |
| (HOY, 31 Mar 85).....  | 33 |
| Minister Pommier Seeks To Renegotiate Karachipampa Debt      |    |
| (PRESENCIA, 30 Mar 85).....                                  | 35 |
| Project Under Study Aimed at Strengthening Mining Production |    |
| (PRESENCIA, 29 Mar 85).....                                  | 37 |
| Projected Mining Policy To Bring Together Small Miners       |    |
| (PRESENCIA, 29 Mar 85).....                                  | 38 |
| Trotskyist Front Wins University Election                    |    |
| (AFP, 4 May 85).....   | 40 |
| Briefs   |    |
| Santa Cruz-Cochabamba Electric Network                       | 41 |
| BRAZIL   |    |
| Obstacles To Improved Trade Relations With East Europe       |    |
| (INDUSTRIA & DESENVOLVIMENTO, Feb 85).....                   | 42 |
| CHILE  |    |
| Communist Leader Discusses Nation's Economic Woes            |    |
| (Havana International Service, 2 May 85).....                | 48 |
| Moscow Broadcasts Message to Carabineros                     |    |
| (Radio Magallanes, 29 Apr 85).....                           | 49 |
| Municipalities Law Would Allow Greater Citizen Participation |    |
| (LA NACION, 18 Mar 85).....                                  | 51 |



|   |    |
|---|----|
| Price of Wood for Housing Reconstruction Set<br>(EL MERCURIO, 18 Mar 85)..... | 53 |
|---|----|

#### Briefs

|                                |    |
|--------------------------------|----|
| New Army Chiefs                | 54 |
| New Envoy to Panama            | 54 |
| Honduran Ambassador            | 54 |
| Jarpa Declines OAS Post        | 54 |
| Military Household Chief Named | 54 |

#### COLOMBIA

|  |    |
|--|----|
| Foreign Trade Impeded by New Customs Policy<br>(Carlos Pineros; EL TIEMPO, 13 Mar 85)..... | 55 |
|--|----|

|   |    |
|---|----|
| Management Congress Scores Government Intervention, Planning<br>(EL TIEMPO, 13 Mar 85)..... | 56 |
|---|----|

|  |    |
|--|----|
| ECOPETROL Head, Vice Minister of Mines, Alcalis Chief Named<br>(EL ESPECTADOR, 13 Mar 85)..... | 58 |
|--|----|

#### Briefs

|  |    |
|--|----|
| Four New Governors Named               | 60 |
| Norwegian Minister Discusses Trade     | 60 |
| Coal to Dominican Republic             | 60 |
| Choco, Caqueta Governors Appointed     | 61 |
| Public Expenditures Commission Created | 61 |

#### COSTA RICA

|  |    |
|--|----|
| MNR Denounces Accusations of Illegal, Military Activity<br>(LIBERTAD, 22-28 Mar 85)..... | 62 |
|--|----|

|  |    |
|--|----|
| New Union Emerges From Third CUT Congress<br>(LIBERTAD, 22-28 Mar 85)..... | 64 |
|--|----|

#### CUBA

|  |    |
|--|----|
| Sugar Harvest Below Projections Due to High Loss, Foreign Matter<br>(BOHEMIA, No 6, 8 Feb 84)..... | 67 |
|--|----|

|  |    |
|--|----|
| Need for Increased, Higher Quality Exports Explained<br>(Alberto Pozo; BOHEMIA, No 6, 8 Feb 85)..... | 70 |
|--|----|

|   |    |
|---|----|
| Role of Inspector General in Enforcing Socialist Legislation<br>(Reinaldo Penalver Moral; BOHEMIA, No 48, 30 Nov 84)..... | 72 |
|---|----|

## GUATEMALA

|  |    |
|--|----|
| Conclusions From National Survey Announced<br>(EL GRAFICO, 17, 18 Feb 85)..... | 77 |
| Worst Problem: Unemployment  | 77 |
| Profile of Ideal President   | 79 |

## GUYANA

|  |    |
|--|----|
| PPP, WPA Cooperate To Promote National Unity Government<br>(Rickey Singh; CANA, 3 Apr 85).....           | 81 |
| Government Gives Final 'No' to Outside Elections Monitoring<br>(CANA, 4 Apr 85).....                     | 84 |
| Government, Church Elements Continue at Loggerheads<br>(CANA, 28 Mar 85; SUNDAY EXPRESS, 31 Mar 85)..... | 86 |
| PNC Accusation   | 86 |
| CCC Appeal to Burnham  | 87 |
| CATHOLIC STANDARD Comment  | 87 |

## JAMAICA

|   |     |
|---|-----|
| Seaga Addresses Nation on Economy, Sparks Reaction<br>(Various sources, various dates).....                     | 89  |
| Text of Broadcast   | 89  |
| PNP Statement   | 94  |
| Parish Council Cuts   | 96  |
| ALCOA Pact  | 97  |
| Opposition Protests   | 97  |
| Lure of Low Wages Not Helping as Boost to Investments<br>(TRINIDAD GUARDIAN, 10 Apr 85).....                    | 98  |
| Carl Stone Assesses Political Climate, Prospects<br>(THE DAILY GLEANER, various dates).....                     | 100 |
| Evaluation of Ministers   | 100 |
| PNP Voter Lead, by Carl Stone   | 102 |
| PNP Leadership Situation, by Carl Stone   | 104 |
| Wage Issues Galvanize Sugar Workers, Civil Servants<br>(THE DAILY GLEANER, 10, 12 Apr 85; CANA, 12 Apr 85)..... | 106 |
| Estate Closures   | 106 |
| Sugar Settlement  | 107 |
| Teacher, Civil Servant Demands  | 107 |

|  |     |
|--|-----|
| Illegal Airstrips Slated for Demolition by Police<br>(THE SUNDAY GLEANER, 14 Apr 85).....  | 109 |
| Bakers Continue Protest, Demanding Government Action<br>(THE DAILY GLEANER, 13 Apr 85).....                                      | 110 |
| Price Demands  | 110 |
| Retailers' Stand   | 111 |
| Reportage on International Youth Conference Proceedings<br>(THE SUNDAY GLEANER, 7 Apr 85; THE DAILY GLEANER, various dates)..... | 112 |
| PNP, WPJ Demonstration   | 112 |
| Seaga Opening Address  | 113 |
| Seaga Meetings With Delegates  | 114 |
| Trinidad Walkout   | 115 |
| PNP Criticism of Government  | 115 |
| Report on Seizures of Ganja in 1984, So Far in 1985<br>(CANA, 22 Apr 85).....  | 117 |
| Briefs   |     |
| Arms Seizures  | 119 |
| Young Farmers Project  | 119 |
| PERU   |     |
| Foreign Ministry Will Set USSR Fishing Treaty Revision Talks<br>(EL COMERCIO, 9 Feb 85).....                                     | 120 |
| Petro-Peru Lacks Funds for Exploration Despite Surplus<br>(EL COMERCIO, 5 Feb 85).....   | 122 |
| Industrialist Proposes Private Development Economic Model<br>(EL COMERCIO, 9 Feb 85).....  | 124 |
| Briefs   |     |
| Russian Fishing Crews Rotating   | 126 |
| ST VINCENT AND THE GRENADINES  |     |
| Danes Deported in Dispute Over Land Ownership<br>(CANA, 5 Apr 85; THE VINCENTIAN, 22 Mar 85).....                                | 127 |
| Orange Hill Controversy  | 127 |
| Land Reform Issue, Editorial   | 128 |
| Union, Water Authority Wage Talks Reviewed<br>(THE VINCENTIAN, 22 Mar 85).....   | 129 |

## TURKS AND CAICOS

|   |     |
|---|-----|
| Government Changes Reported; PDM Calls for Probe<br>(TURKS & CAICOS NEWS, 28 Mar 85).....                 | 131 |
| Legislative Council Action  | 131 |
| PDM on Corruption   | 132 |
| Support for Saunders  | 132 |
| Paper Decries Government Attempt to Gag Press<br>(Editorial; TURKS & CAICOS NEWS, 28 Mar 85).....         | 133 |
| Analysis Focuses on Shortcomings of Opposition PDM<br>(Oliver Mills; TURKS & CAICOS NEWS, 28 Mar 85)..... | 135 |
| Professional People Form New, Third, Political Party<br>(TURKS & CAICOS NEWS, 28 Mar 85).....             | 137 |

## VENEZUELA

|  |     |
|--|-----|
| Economy Reportedly Showing Signs of Recovery<br>(C. R. Chavez; EL UNIVERSAL, 7 Apr 85).....                  | 138 |
| Congress President on Lusinchi's Trip to U.S., Other Issues<br>(Jorge Villalba; EL UNIVERSAL, 7 Apr 85)..... | 143 |

INTER-AMERICAN AFFAIRS

LUSINCHI, BETANCUR DISCUSS CENTRAL AMERICAN, BILATERAL ISSUES

Caracas EL UNIVERSAL in Spanish 1 Apr 85 p 1-12

[Article by Nicolas Rondon Nucete]

[Text] "President Betancur is expressing the shared views of the four chiefs of state of the Contadora Group," President Jaime Lusinchi asserted yesterday in an informal talk with newsmen in the hallways of Miraflores Palace.

Lusinchi said that today, Monday, he would analyze his 2-hour talk on Saturday night at Miraflores Palace with the Colombian chief executive.

The Venezuelan president said that he and Betancur discussed issues of the utmost interest to Latin America, the situation in Central America and bilateral matters.

Consalvi's Remarks

Foreign Minister Simon Alberto Consalvi had breakfast with the Colombian president at the presidential residence of La Vineta, starting at 6 in the morning.

Attending the breakfast meeting were the deputy foreign minister, German Nava Carrillo, and the members of the Colombian entourage: Brig Gen Ernesto Caviedes Hoyos, the chief of the Military House; Jaime Acevedo, the chief of protocol; Jorge Luis Ordonez, undersecretary of the Foreign Ministry; Roman Medina Bedoya, the head of the Office of Information and Press of the Presidency; Army Capt John William Novoa, the security chief, and the Colombian ambassador in Venezuela, Alberto Zalamea.

The presidential caravan left at 6:32 am for the Generalissimo Francisco de Miranda Base, where Betancur was seen off by Foreign Minister Simon Alberto Consalvi. The band of the Honor Guard Regiment played the national anthems of Colombia and Venezuela, and a column of soldiers from the Presidential Guard paid military honors to the illustrious visitor. By 7 in the morning Colombian Air Force 0001 was already in the sky above Caracas.

Approached by newsmen, Foreign Minister Consalvi said that President Belisario Betancur is putting forth an admirable effort in seeking peace and stability in Central America.

"President Betancur unquestionably made a wise choice of an itinerary, beginning in Caracas and ending in Washington with stops in all Central American countries and prior meetings with the other chiefs of state of the Contadora Group."

Consalvi stated that the 2-hour meeting between Betancur and Lusinchi was an informal one at which they addressed all of the issues that would be foreseeably broached at a get-together between two chiefs of state.

The foreign minister indicated that the presidents placed emphasis on an analysis of bilateral relations, trade relations in particular.

He noted that trade between the two nations had dropped inexplicably precisely at a time when the stubborn protectionism of the industrialized countries ought to be encouraging the nations of the region to boost their trade.

Simon Alberto Consalvi feels that there are genuinely promising prospects for expanding economic ties, as well as the political will to intensify them.

"Certain intermediate levels of the bureaucracy in charge of implementing the decisions are naturally going to resist, though," he asserted.

The foreign minister reported that the president of the Foreign Trade Institute, Simon Izaguirre, has been put in charge of coordinating the task forces for reviewing pending matters and surmounting obstacles.

Consalvi said that the presidents reviewed various problems and agreed to meet again over the coming months.

Consalvi also said that after Betancur meets with the other chiefs of state of the Contadora Group and with the presidents of Central America, "when he speaks in Washington, he will unquestionably be doing so as a Latin American voicing our shared views and our concern for peace, stability, democracy and unqualified freedom in all of the countries of the region."

Betancur to Lusinchi

After the Colombian president's aircraft had left Venezuelan territory and entered Colombian air space on its way to Panama, President Belisario Betancur sent a message to the Venezuelan chief executive. It reads:

"Your Excellency, Mr President of the Republic of Venezuela:

"Upon leaving your country, I would like to convey to you my heartfelt gratitude for the kind attentions that were shown me during my visit to Caracas.

"I was particularly pleased to converse with your excellency on issues of common interest, especially peace in the region and the strengthening of our bilateral relations.

"Allow me to express to you once again my respect and appreciation.

"Yours truly,

Belisario Betancur, president of Colombia."

8743

CSO: 3348/604

INTER-AMERICAN AFFAIRS

HERRERA CAMPINS, CALDERA ON CONTADORA PEACE EFFORTS

Herrera's Views

Caracas EL UNIVERSAL in Spanish 8 Apr 85 p 1-12

[Article by Jorge Villalba]

[Text] Reagan's proposal for a negotiated peace in the confrontation between the Sandinist government and the counterrevolutionaries in Nicaragua is not entirely clear, in the judgment of former President Luis Herrera Campins.

Herrera Campins, who follows Latin American political developments closely, returned recently from El Salvador, where he was invited by President Duarte to observe the municipal elections.

The former president of the republic and senator for life was asked by EL UNIVERSAL about the U.S. president's proposal. Nicaragua has rejected it, arguing that some of its conditions are unacceptable, and in the United States itself newspaper editorials are giving differing interpretations of the motives behind Reagan's proposal.

"I stress that the United States must make an ongoing effort to understand the Latin American character and the political and social realities in these countries," Herrera Campins said initially. "This is a task for the U.S. Government in particular, so that it can come up with a method of communication that suits our temperament and that takes into consideration the norms of international law, in both their letter and their spirit, to prevent mistaken interpretations of its attitudes."

He feels, nevertheless, that everyone who has influence or in one way or another is involved in the current situation in Central America must be asked to further peace in the area and to help establish a democratic, pluralist system as one of its main pillars.

"In this regard, the Sandinist Government of Nicaragua must also realize that it needs to be open to dialogue, and the Episcopal Conference of the Catholic Church has provided a magnificent opportunity to this end."



Herrera Campins feels that agreements, even partial ones, are a good idea, because a relaxation of internal tensions will ease external tensions, which will then no longer serve as a pretext or grounds for not engaging in a dialogue.

"It is, of course, up to the Sandinist Government to give the final word and to establish the initial scope of the dialogue, which must be flexible as important progress is made."

The former president is of the opinion that it is better for the two sides to convince themselves of the advantages and potential of this approach than to continue using violent, threatening language against each other. All of this is valid, though, he noted, "as long as Nicaragua's sovereignty is respected."

"In any event, President Reagan's proposal, whose scope and meaning we should reflect on, is not entirely clear and has given rise to opposing interpretations in the American mass media, which usually pride themselves on being able to ferret out the most hidden of intentions."

Don't you think that Reagan's proposal might be an attempt to turn attention away from the Contadora Group's efforts?

"Contadora urgently needs to be reactivated, and although the meeting of the deputy foreign ministers (which begins today in Caracas) is a positive step, a presidential summit is urgently needed, as I have been stressing for months now."

Herrera Campins, who as Venezuelan president was one of the most active promoters of Contadora, indicated that "with its Latin American good faith, with its determination to contribute to peace in Central America and with its democratic moral authority, this group can channel many efforts to achieve common goals."

#### Caldera's Views

Caracas EL UNIVERSAL in Spanish 3 Apr 85 p 1-14

[Text] My Opinion on Contadora

The tiny Panamanian island of Contadora, where Shah Mohammed Reza Pavlevi stopped over and unsuccessfully sought refuge during his final desperate odyssey, has become better known as the spot where four Latin American countries bordering on the Caribbean, Venezuela, Mexico, Colombia and Panama, first met in their ongoing effort to mediate a strong and stable peace in Central America.

From the beginning I have voiced my solidarity with and support for the Contadora effort. And I am just one of the millions of people in Latin America, Europe and other continents who have given Contadora

their moral support, who have placed their best hopes in Contadora and who have shared the principles set forth by the Contadora group in its persistent efforts as mediator among the five countries of Central America.

I have not skimped on praise for Contadora in speaking to the mass media. When I have been called on to cite the group's successes, I have underscored two: having warded off the escalation of fighting that seemed imminent when it began its efforts, and having made many people more aware of the conflict going on in an area that has become the epicenter of what could be called an unpredictable temblor.

The violence has not ceased. Far from it. Fighting continues, especially in Nicaragua and El Salvador. But when Contadora began its efforts, it was considered certain that U.S. military forces would intervene in Nicaragua before the November election. I never believed that the invasion would take place, and after attending the Democratic Convention in San Francisco and the Republican Convention in Dallas, I came away with the impression and voiced the view that not only were Mondale's supporters against an invasion but many of President Reagan's voters were too. Many observers felt, however, that the military maneuvers in Honduras, the mining of Nicaraguan ports and the declared support for the contras would lead directly to the intervention of the world's leading military power in Nicaragua. The mediation efforts put forth by the four Contadora governments unquestionably helped to ward off that danger.

With regard to consciousness-raising, the Contadora mediation has been a determining factor. The meeting of EEC foreign ministers in San Jose, Costa Rica, where they acknowledged their duty to cooperate in improving the economic and social conditions of the Central American countries, must be regarded as an outcome of Contadora efforts.

Furthermore, the Contadora Act, as drafted by the four countries in the group and submitted to the five nations of Central America, is a document inspired by noble principles, drawn up with indisputable technical competence, guided by all of the instruments that multilateral diplomacy has accumulated in recent years and geared towards covering all of the questions that must be resolved to achieve a just and genuine peace. The document thus takes into account the establishment of and full guarantees for internal democracy and human rights, a priority concern for many Nicaraguans and citizens of other Central American countries, as well as action to tackle economic and social problems, along with thorough consideration of the military problems that are threatening and hampering peace.

If I have said that Contadora has gone as far as it can, it is because the facts tell me that the efforts of the four countries alone will not achieve the lofty goals that they have set for themselves. The Contadora Act provides for all situations and points out all obstacles,

perhaps because its framers were perfectionists, and it charts a course for surmounting these obstacles. Yet those to whom the act appeals seem to lack the will, the confidence and the sincerity to put it into practice. The act could thus well become just another piece of paper, in which case the claims that parties might file against each other for breach of commitment would likely not be successful.

Moreover, the commitment of the five Central American countries is not enough. The United States unquestionably has an interest in the matter. And the Cuban Government is obviously a factor in the area.

I have therefore contended that the time is ripe for a direct dialogue, from which the United States and Cuba must not be absent. Such a dialogue much attach due importance to human rights issues, to the liberalization of authoritarian regimes and to compliance with the obligations that the Nicaraguan revolutionaries took on in overthrowing Somoza. I am convinced that the Cuban regime, which has 26 years behind it, is interested in a settlement that would dispel the possibility of an escalation in the fighting, which would entail an extremely high cost for it. And it is not impossible that it will agree to renounce further support for uprisings in the hemisphere and to liberalize its own attitude towards Cuban exiles and domestic dissidents in exchange for ridding the horizon of this grave danger. Moreover, if Nicaragua is insistent about a dialogue, we must hold it to its word and raise with it the fundamental issues of freedom of the press, democratic pluralism and an end to political persecution. On my recent visit to Managua, I told the commanders that I found it odd that they were pushing for a dialogue between the Salvadoran Government and the guerrillas there and refusing to talk with the people who have taken up arms against the Sandinist Government.

I repeat that direct dialogue is necessary because it is the road to peace. Meanwhile, even though the Contadora group probably cannot do much more at this point than it has already done and for which we will be forever grateful, it must continue its lofty mediation and its noble moral vigilance.

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CSO: 3348/604

17 May 1985

INTER-AMERICAN AFFAIRS

CHILE, ARGENTINA STRESS TOURISM TOWARD BETTER RELATIONS

Santiago LA NACION in Spanish 24 Jan 85 p 9

/Text/ Between today and this coming Friday, in Santiago, a meeting of the principal Chilean and Argentine authorities on tourism will be held on the occasion of the First Meeting of the Special Tourism Committee. The purpose of the event is to analyze alternatives to signing an agreement on tourism, defining and authorizing integrated circuits and working out publicity together.

The meeting is being held in response to the success achieved by Papal Mediation, in which Chile and Argentina agreed to sign a peace treaty, which will soon be done, as soon as both countries sign a formal understanding in which there is agreement, among other things, on a Special Tourism Committee which would study making a Comprehensive Tourism Agreement within a reasonable period of time.

In this spirit, a meeting will be held between the Undersecretary of Argentine Tourism, Cesar Crenzel, and the substitute National Director of Tourism, Renato Garcia Rodriguez, with the principal representatives of the hotel industry, of air and overland transportation and of travel agencies of both countries.

The aforesaid Agreement will be comprehensive on subjects such as a) Improvement and adaptation of border passes for the purpose of making passenger traffic more comfortable and expeditious; b) adoption of measures to expedite and intensify the exchange of tourists; c) coordination and support for the publicity efforts that each of the countries carries out; d) setting up of tourist information offices of each country in the other; e) the adoption of restrictive means for both countries to apply when their nationals go abroad and f) definition of developed tourist routes.

It has been thought of the highest importance to incorporate the concerns and suggestions of the private sector and principal representatives of the sector (hotel industry, air transport, overland transportation and travel agencies), so that this meeting will arrive at an agreement that will effectively interpret the reality of the sector, regarding tourist interchange between Chile and Argentina.

According to the Tentative Work program, the sessions will be held today and tomorrow to conclude on the 28th with an excursion to the city of Vina del Mar and environs.

The interest in strengthening and improving existing ties in the field of tourist activity, confirms the importance of tourism as an effective factor to contributing to peace, understanding and international cooperation, a characteristic which has been recognized universally by the World Tourist Organization (OMT) and the countries that participate as members in it.

12448

CSO: 3348/349

ARGENTINA

# CANADIANS OFFER ASSISTANCE WITH SATELLITE SYSTEM

PY252355 Buenos Aires TELAM in Spanish 1532 GMT 25 Apr 85

[Text] Buenos Aires, 25 Apr (TELAM)--Canada has offered Argentina technical assistance in operating a national multipurpose telecommunication satellite system in the Argentine territory. The offer was tendered today during a meeting Communications Secretary Humberto Ciancaglini held with B. Erskine, a Canadian Communications Ministry official linked with the ministry's space program. The Canadian delegation offered to perform an evaluation of the studies carried out by Argentina. In this regard, they asked national technical commission members to provide them with all the available data and information on technical requirements.

Argentina has already received cooperation offers from other countries for the manufacturing, deployment, and operation of a national satellite, also known as domestic satellite. U.S., FRG, and French Government technicians have already met Communications Secretariat officials and have offered to complement the satellite system with the existing communications infrastructure.

The Canadian delegation is also made up of R. Conohue, director of the Foreign Ministry Department for South American Development, Spar Aerospace Ltd officials D. Mayson and G. Lewis, and Telesat officials H. Howaluk and E. Martin. The visitors also met with Under Secretaries Elias Chenarjovsky and Jorge Armando Falcone, and attended a meeting of a working committee made up of Air Force officers who are members of the National Committee for Space Research and of the Communications Secretariat.

CSO: 3348/633

ARGENTINA

RIEL-NEA PROJECT AIMS TO SERVE THREE PROVINCES

Buenos Aires LA PRENSA in Spanish 19 Apr 85 p 9

[Text] The main objective of the RIEL-NEA project, whose initials stand for Coastal-Northeastern Argentina Electrical Interconnection System, is to carry power by means of a 500-kilovolt line from the Santo Tome transformer station in Santa Fe to the provinces of Santa Fe, Chaco and Corrientes (132 kilovolts) in order to meet their energy needs. At the same time, the first phase will make use of electric power generated by the Salto Grande Dam on the Uruguay River and take one step closer to the interconnection of Yacyreta with the coast, thus integrating the northeastern area into the National Interconnection System.

The project basically consists of expanding the Santo Tome transformer station, complete conversion of the Romang and Resistencia transformer stations into 500-kilovolt plants and the Santa Cataline into a 132-kilovolt unit; complete construction of the 500-kilovolt lines between Santo Tome, Romang and Resistencia and a 132-kilovolt interconnection between Resistencia and Santa Cataline, including a section of insulated 132-kilovolt cable to cross the General Belgrano Bridge. By way of information, one might mention that this is the first 500-kilovolt system to be completed as a turnkey operation in the country.

Organization Aspects

It should be pointed out that the provinces of Santa Fe, in the north, and Chaco and Corrientes suffer from an energy shortage that restricts their possibilities of economic development and welfare of the inhabitants. In 1969, COFIRENE [expansion unknown] was set up in cooperation with Formosa and Missions, and since 1976 has operated as an investment bank. Its board of directors includes BANADE [National Development Bank] and the organization's purpose is to combine efforts and systematize the different development options which that region of our country exhibits.

In the last years of the 1970's, the Secretariat of Energy produced the National Energy Plan, which organized into a single projection extending as far as the year 2000 the different efforts, ideas and projects for the area, with the basic purpose of expanding the supply of electric power. As an essential part of the plan, the National Interconnection System is the link between production and consumption centers by means of very high tension wires (500-kilovolts) and their corresponding transformer stations, in addition to system control

centers constituted by the regional and national load offices. One of the main contractors is the Special Unit for the Transmission of Water and Electric Power, a national company.

For reasons relating to the interconnection with Yacyreta, the RIEL-NEA project is scheduled for the future, but the project was speeded up with the agreement of beneficiary provinces and the consortium in charge of the undertaking, COFIRENE, and the Water and Power Company, concerning the transmission of electricity to the region, inasmuch as it is the latter that pumps power into the national system from Yacyreta.

On 30 November 1978, on the occasion of the Spanish royalty's visit to Argentina, the Protocol of Economic, Commercial, Industrial and Technological Cooperation was signed between the two nations, covering the completion of the RIEL-NEA project.

Spain has an organization for the creation and promotion of industrial activity, the National Institute of Industry, which includes a group of limited liability firms making up an industrial and financial holding company of international stature. FOCOEX [Foreign Trade Promotion Company] operates within that context, an organization promoting foreign trade, along with INITEC [expansion unknown], an engineering group.

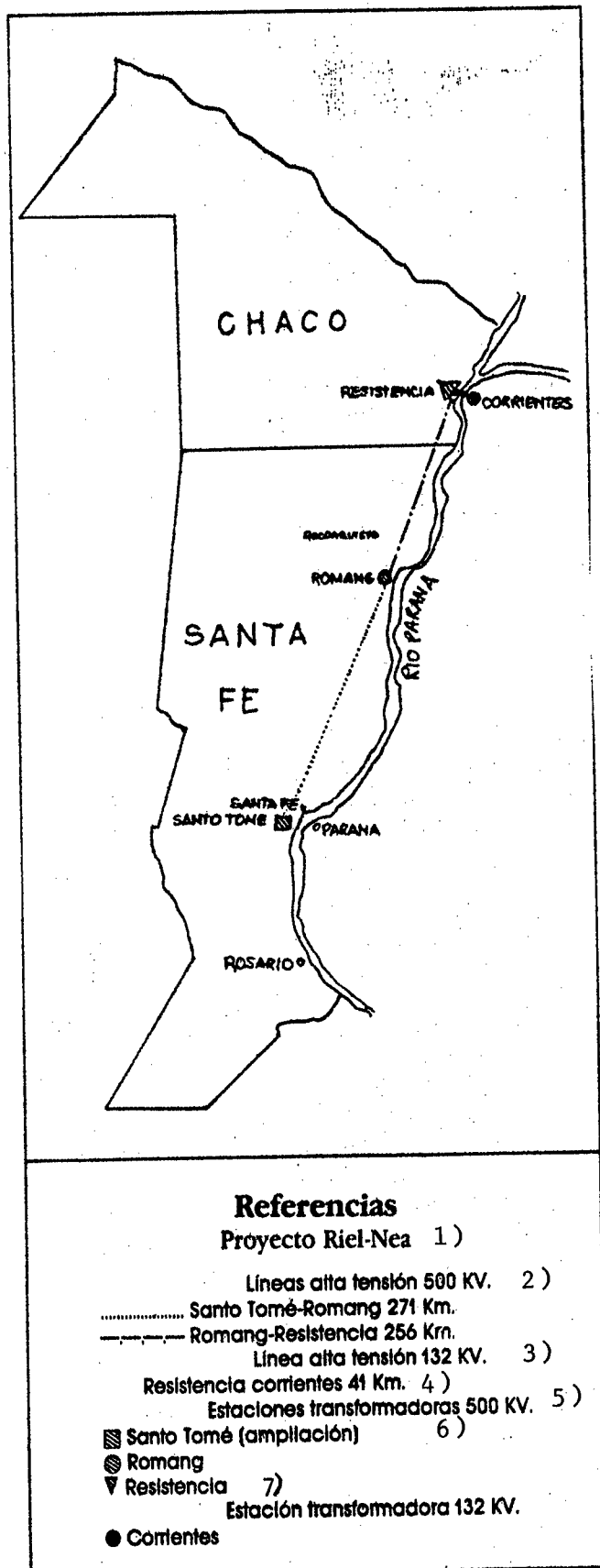
Subsequent to the signing of the protocol, on 16 May 1979, a loan agreement was signed between the Spanish Foreign Bank and BANADE for \$220 million (later increased to \$300 million) in order to finance the RIEL-NEA project, coast guard vessels and telecommunications systems. The financing would be in the form of purchaser credits for 8.5 years with an interest rate (at that time) of 8.25 percent.

Ten days later, the agreement was signed between the general director of Spanish Exports and the National Economic Planning Institute of Argentina, entrusting COFIRENE and FOCOEX with the task of continuing the necessary proceedings relating to the contracting and execution of the project.

On 18 June of that same year, the Water and Power-COFIRENE agreement was signed with the provinces of Corrientes, Santa Fe and Chaco, stating that COFIRENE would contract and finance the project and that Water and Electric Power would be responsible for technical supervision, certify and take delivery of work done and stipulating terms of organization, the future transfer of the operation and ownership of the undertaking to Water and Electric Power and the amount of counterpayment by the latter. The agreement was later ratified by special provincial laws and by the boards of COFIRENE and Water and Electric Power.

International bidding was then opened to Hispanic-Argentine firms and on 15 March 1980 and 25 July of that same year, contracts were signed between COFIRENE and the Techint-Made-Desaci consortium for execution of the project and between COFIRENE and FOCOEX for engineering and technical-financial advising and supervision of the project. FOCOEX has the participation of INITEC in Spain and that of Tecnoproyectos-Atec-Edesa of Argentina.





**Key:**

1. RIEL-NEA Project
2. 500-kilovolt high-tension lines
3. 132-kilovolt high-tension line
4. Resistencia-Corrientes 41 kilometers
5. 500-kilovolt transformer stations
6. Santo Tome (expansion)
7. Resistencia 132-kilovolt transformer station

## Loan Agreements

There are two loan agreements for the project. One of them is within the Spanish Foreign Bank and BANADE line and is for approximately \$50 million, mainly earmarked for financing equipment and materials from Spain. The other is an agreement between COFIRENE and Citibank, the Rio de la Plata Bank and the Bank of Corrientes Province, is expressed in pesos and amounts to the equivalent of \$180 million.

There is also the so-called RIEL-NEA II Project, providing for the connection with Misiones Province, covering the following: expansion of the Resistencia transformer station; the 500-kilovolt line between Resistencia and Yacyreta (approximately 230 kilometers), including a major project crossing the Parana River through the zone of Cerrito Island; the Yacyreta transformer station; and the 500-kilovolt line (eventually 132 kilovolts) between Yacyreta and Posadas.

The first three items are in the overall programming of the National Interconnection System and scheduled to go into service simultaneously with the first Yacyreta turbine in 1991. The position of Misiones Province is to complete the interconnection ahead of time and independently of the Yacyreta development. Experts estimate that with the same contracting arrangements, the cost of the future expansion may be placed at \$100 million.

Regarding scheduling, it appears reasonable to say that it is possible to complete the projects in 3 years, implying that completion would come 2 years ahead of current plans.

With contracting done this year, the project could go into service near the end of 1998.

It is important that if the existing contracts are expanded, it will be possible to take advantage of the execution of the RIEL-NEA project, which has great importance with respect to deadlines. Likewise, according to experts, all the cost of the preliminary project would practically be eliminated.

Different technical opinions allow one to note that the system will make it possible to replace fossil fuels, inasmuch as by using only 10 percent of the project, equivalent to 35 percent of the installed power in the northeast, the beneficiary provinces would be able to save between \$2 million and \$3 million by replacing oil derivatives. Likewise, it has been noted that RIEL-NEA will absorb the flow of energy now available in the central region of the country.

The first phase of the project was completed by 6 March of last year and its official opening will come in the near future.

The most important providers are Westinghouse, Isolux, Arteché and Tyesa in Spain, Siemens of Germany and Argentina, Merlin Gerin of France, Brown Boveri and Haefely of Switzerland, Fuji of Japan, Asea of Sweden, Morsela and Ansco of Argentina, and others.

ARGENTINA

KEY POINTS IN TECHNOLOGY TRANSFER BILL OUTLINED

Buenos Aires CIENCIA Y TECNICA in Spanish 4 Nov 84 pp 25-26

[Text] The Secretariat of Science and Technology, in conjunction with the Secretariat of Industry, has drafted a bill on the transfer of technology that will be introduced in the next special session of Parliament. Its fundamental objective is to promote national autonomy in technological development by means of selective access, on favorable terms, to the fruits of the current technological revolution. It also provides for the effective absorption of these new developments by the national productive sector. Here are the highlights of the bill:

The experience of various Latin American countries and those on other continents (Spain, Portugal, South Korea, the Philippines, India and Japan) makes it clear that government participation in the regulation of the technology import market not only helps reduce the explicit and implicit prices of this technology, but also increases the capacity of the firms that benefit from it to negotiate contracts and to assimilate and adapt the acquired technologies. The bill draws on the country's positive experiences in this area, and on the results of the discussion of a draft international code of conduct governing the transfer of technology. Its principal features are the following:

--It establishes a system for timely evaluation, which effectively reinforces the bargaining power of local firms (Article 2).

--It provides for a simplified method of processing small-scale contracts for the purpose of speeding up the processing and execution of documents (Article 4).

--It includes documents related to computer software within this system, which is justified by the increasing importance of contracts of this type and their possible effect on the balance of payments and on the development of a local software industry (Article 1).

--It provides for minimum guarantees and liability, and prohibits restrictive clauses (Articles 8, 10, 12, 13, 14 and 24).

--It contains special clauses regulating public sector technology imports, which account for a substantial portion of the country's payments in this area. These regulations, which also apply in part to firms that receive

promotional benefits, refer specifically to the technological break-down of projects and to types of contracts (Article 7).

--It places emphasis--and this is one of the features that distinguish this bill from its predecessors in the country--on effective links between imported technology and local technological development, through mechanisms designed to ensure the absorption and ultimate development of the transferred technology (Articles 5, 6 and 12).

The results of the policy that has been pursued in this regard since 1976 clearly reveal the negative consequences of the failure to regulate this field adequately and comprehensively. According to the Central Bank's estimates, payments of royalties and copyrights, and payments for technical assistance and the use of patents and trademarks, have grown spectacularly in recent years: from \$54 million in 1977 to \$246 million in 1980, \$363 million in 1982 and \$486 million in 1983 (see also the information provided by the joint study conducted by the Secretariat of Science and Technology [SECYT] and the National Institute of Industrial Technology [INTI] on technology transfer contracts, in this section).

Article 15 creates the National Technology Transfer Commission; Article 16 provides that its functions will include proposing national policies and regulations governing this field to the National Executive; Article 17 places the Executive Secretariat of that Commission under the National Institute of Industrial Technology, under whose jurisdiction a National Technology Transfer Registry would be set up. Article 20 sets forth a deadline by which the appropriate authorities must rule on requests for evaluation, authorization and registration, in order to streamline the administration of the system. Articles 22 and 23 provide for the reform of the capital gains tax law, in accordance with the objectives of the bill.

The system established by this proposed law, in short, is designed to become a useful tool for complementing the technological activities of Argentine businesses and to improve their ability to face the economic, technological and political challenge to the country.

8926

CSO: 3348/600

BELIZE

# HOME AFFAIRS MINISTER PLEDGES WAR ON DRUG TRADE

FL232044 Bridgetown CANA in English 1700 GMT 23 Apr 85

[Text] Belmopan, 23 Apr (CANA)--Belize Home Affairs Minister Curl Thompson, who has pledged to rid the country of the illegal drug trade, said today that local marijuana dealers have put out a contract to get him.

Thompson told CANA that he is tightening security around himself, including placing additional security officers in his office.

Thompson did not comment further but an article appearing in the weekend issue of THE REPORTER said that drug dealers are apparently blaming Thompson for the recent heavy reverses which the Belize drug barons have been suffering in Miami and New Orleans.

A former government minister, Eligio Briceno, was arrested in Miami on 8 April and charged with conspiring to export up to 5,000 pounds of marijuana a month to the United States. U.S. officials described Briceno as a major grower and exporter of the drug in Belize, the fourth biggest source of the drug for the United States.

Thompson has just started a campaign to deport illegal aliens, mainly from Guatemala and El Salvador, many of whom are alleged to be workers on marijuana farms in the hinterland. The minister said he is convinced that these are the people who are after his head.

A few weeks ago Thompson went on radio to say that he will mop up the illegal drug business in Belize. He said he is fully aware of some of the people involved in the illegal drug trade, some of whom I know personally or officially, including members of the judiciary, the police force and the public service.

Thompson denied that he was being pressured by the United States Government to get rid of the drug trade here. We are not being pressured by anyone he said. We in government have a responsibility to clean up corruption, which was encouraged by the previous administration.

But Thompson said the new government has still not taken any decision on whether it will order the resumption of the aerial spraying of marijuana plantations.

CSO: 3298/601

BELIZE

CENTRAL BANK CALLS TRADE KEY TO ECONOMIC PROSPERITY

Port-of-Spain EXPRESS in English 26 Apr 85 p 37

[Text]

BELIZE CITY, (CANA)

— Prospects for the Belizean economy for 1985 and beyond continues to depend crucially on sustained growth in the developed countries and a significant improvement in terms of trade, according to the Central Bank's latest report.

The bank in its review of the economy during the first half of this year said that the country recorded a trade deficit of \$26.1 million (\$1 Bel; 49 cents U.S.), representing a worsening of \$17.1 million over the preceding period and of \$5.5 million over the same period last year.

"The much increased trade deficit can be traced back to an 11.8 million seasonal contraction in exports to 30.9 million. Retained imports increased by \$5.2 million to \$57 million.

"The continuing upward trend in imports reflects in part the impact of the Mexican inflation which, despite the depreciation of the peso, has made Mexican goods more expensive and has led to an increase in recorded imports as Belizeans switch to up-market products from North America and Europe," the bank said.

It said that re-exports continue a steady upward climb towards pre-Mexican devaluation levels and are, despite the sluggish growth of the Mexican economy, at \$9.3 million, 5.7 per cent above their first quarter level.

The bank said that production in the sugar

industry suffered a setback due to bad climatic conditions. Sugar production in the second quarter was 38,485 long tons from 377,023 long tons of cane, representing an increase in the extraction rate of refined sugar from cane to 9.8 per cent and from 9.7 per cent in the first quarter.

The bank said that compared with the same period last year deliveries of cane were down by 106,539 long tons and production down by 11,087 long tons. sugar exports, at 21,780 long tons, were down 6,923 long tons on last year's level.

Exports included 4,750 tons to Ecuador, the first ever shipment to that country under the terms of the International Sugar Agreement (ISA).

Also noteworthy was that in June the Belize government signed an agreement of intent for the purchase of 72 per cent of the British-con-

trolled Belize Sugar Industries shares for Belizean interests.

The bank said the banana industry continues to hold its own despite the inhibiting effects of poor location and inadequate shipping arrangements. Exports increased to 122,030 boxes, 8.9 per cent higher than in the last quarter.

This increase was reflected in a small improvement in earnings, bringing total revenue for the quarter to \$1.4 million. Citrus earnings rose to \$6.7 million in the second quarter, an improvement of 3.1 per cent over the first three months of the year.

The garment industry was aided greatly by the 7.5 per cent growth of the US economy. in the second quarter, exports of garments were \$7.4 million, which was \$0.5 million or 7.2 per cent higher than in the preceding quarter.

The bank said that the conduct of monetary policy in the second quarter was governed by the need to check a sharp drain in foreign exchange reserves while, at the same time, ensuring an adequate flow of resources to those sectors of the economy, both public and private, with legitimate funding requirements.

Between March and June commercial bank credit expanded rapidly by \$6.4 million or 5.0 per cent to \$148.2 million. Over the year an increase of \$14.8 million or 11.2 per cent was recorded.

A sector-wise breakdown shows that manufacturing, building and construction, fishing,

mining and public utility sectors received the bulk of the new credit, while the agriculture and distributive sector reduced their share of total credit.

In the budgetary field, provisional figures for the second quarter of 1984 show that government operations generated a small surplus of 0.3 million dollars.

The government's recurrent revenues exceeded expenditure by 0.7 million dollars. this compares with a deficit on the recurrent budget of 7.0 million dollars for the fiscal year ended march 31 1984.

The shortfall recorded in 1983/84 reflected in part the severe contraction of government revenues triggered by the decline in imports and re-exports following the Mexican peso devaluation of 1982.

BELIZE

DETAILS, ASSESSMENTS OF UDP VICTORY IN LOCAL ELECTIONS

Dangriga, San Pedro Situations

Belize City AMANDALA in English 29 Mar 85 p 1

[Text] BELIZE CITY, Thurs. March 28

The headline means that in head to head competition in yesterday's municipal elections against the United Democratic Party, the once mighty People's United Party won 1 seat and lost 39!

The 7 seats won in the newly established township of San Pedro by candidates first describing themselves as "independent", and now referring to themselves as the "San Pedro United Front", belong to former PUP Chairman Louis Sylvestre, who resigned from the PUP earlier this year charging the blue and white with communism.

San Pedro is evidently Louie's personal fiefdom, and yesterday's results place him as the focal point of speculation that a new opposition party (of a far right wing nature) is about to emerge.

The 6 seats won in Dangriga ostensibly by the People's United Party properly belong to Dr. Ted Aranda, leader of the ethnic Christian Democratic Party. For the third time in a year, Dr. Aranda, in pursuance of his personal vendetta against the UDP, has handed Dangriga on a platter to the PUP. Head to head against the UDP there, the PUP would lose.

The PUP then, did win only one seat, Polo Briceño's in Orange Walk, and the Briceños belong to the disaffected right wing of the party. They only need a slight push to tumble into Louie's arms.

UDP won all the town board seats in Corozal Town, San Ignacio/Santa Elena, Benque Viejo, Punta Gorda, and all four City Council bye-election seats in Belize City. (See detailed election results on page 3).

Many years ago in the 1950s, after smashing the National Party (NP) or the Honduran Independence Party (HIP) or some such colonialistic grouping, the then popular PUP held a mock funeral, complete with hearse and coffin, in which they symbolically buried their opponents in Lord's Ridge cemetery.

Well yesterday, we came full circle. The undertaker has now become the corpse. The PUP needs only burial space and a sankey named que viva.

# Vote Totals

Belize City AMANDALA in English 29 Mar 85 pp 3, 10

## [Text] I BELIZE CITY COUNCIL

### United Democratic Party

| Names         | Votes |
|---------------|-------|
| Michael Young | 6,285 |
| Allan Pitts   | 6,282 |
| Ramon Vasquez | 6,246 |
| Cleophus Lord | 6,208 |

### People's United Party

|                  |       |
|------------------|-------|
| Remijio Montejo  | 3,842 |
| Carlos Diaz      | 3,820 |
| Maurice Robateau | 3,613 |
| James Saunders   | 3,579 |

(44% of electorate voted)

## II COROZAL TOWN BOARD

### United Democratic Party

|                     |       |
|---------------------|-------|
| Richard Quan        | 1,289 |
| Guadalupe Longworth | 1,287 |
| Jose Romero         | 1,262 |
| John Lanza          | 1,260 |
| Leonardo Acosta     | 1,260 |
| Emeliano Castenada  | 1,255 |
| Helen Price         | 1,245 |

### People's United Party

|                  |     |
|------------------|-----|
| Gabriel Hoare    | 867 |
| Baldemar Alpuche | 846 |
| Jorge Garcia     | 845 |
| Lloyd Carrillo   | 837 |
| Demetrio Cawich  | 828 |
| Ernesto Wade     | 814 |
| Pedro Villanueva | 808 |

(73% of electorate voted)

## III ORANGE WALK TOWN BOARD

### United Democratic Party

|                  |       |
|------------------|-------|
| Agripina Espejo  | 1,663 |
| Alfredo Martinez | 1,610 |
| Eloy Escalante   | 1,600 |
| Leliz Carballo   | 1,585 |
| Rudolfo Novelo   | 1,571 |
| Octavio Rosado   | 1,568 |
| Hector Santos    | 1,512 |

### People's United Party

|                    |       |
|--------------------|-------|
| Polo Briceño       | 1,620 |
| Pablo Cantun       | 1,457 |
| Teodulo Peralta    | 1,455 |
| Belizario Carballo | 1,455 |
| Ricardo Castillo   | 1,436 |
| Gildardo Cervantes | 1,429 |
| Diodoro Novelo     | 1,423 |

(71% of electorate voted)

## IV SAN IGNACIO/SANTA ELENA

### United Democratic Party

|                   |       |
|-------------------|-------|
| Rene Moreno       | 1,467 |
| Daniel Silva, Jr. | 1,467 |
| Eulogio Cano      | 1,463 |
| Domingo Cruz, Sr. | 1,455 |
| Martin Galvez     | 1,452 |
| Mike Salazar      | 1,441 |
| Pedro Cruz        | 1,414 |

### People's United Party

|                  |     |
|------------------|-----|
| Orlando Harrison | 805 |
| Nora Torres      | 782 |
| Alvin Smith      | 754 |
| David Guerra     | 735 |
| Sydney Codd, Sr. | 732 |
| Theodore Lennan  | 730 |
| Roberto Supal    | 725 |

(66% of electorate voted)

## BENQUE VIEJO TOWN BOARD

### United Democratic Party

|                   |     |
|-------------------|-----|
| Carlos Leon       | 594 |
| Aurelio Guerra    | 588 |
| Jorge Castellanos | 573 |
| Alberto Contreras | 572 |
| Luciano Manzanero | 562 |
| Assad Hegar       | 557 |
| Elena Velasquez   | 551 |

### People's United Party

|                 |     |
|-----------------|-----|
| Raul Gongora    | 389 |
| David Can       | 377 |
| Moises Martinez | 372 |
| Patricio Kuylen | 364 |
| Fidel Matus     | 361 |
| Jose Quetzal    | 359 |
| Antonio Guerra  | 356 |

(65% of electorate voted)

## DANGRIGA TOWN BOARD

### People's United Party

|                  |     |
|------------------|-----|
| Francis Castillo | 721 |
| Jesus Gongora    | 702 |
| Maurice Martinez | 692 |
| Jacinto Ciego    | 686 |
| Julian Lewis     | 682 |
| Gilbert Waight   | 676 |

(Lovinia Busano DID NOT RUN)

### United Democratic Party

|                    |     |
|--------------------|-----|
| Theodoro Castillo  | 612 |
| Rodrick Eljio      | 594 |
| Anselma Christiana | 564 |
| Vicente Lopez      | 560 |
| Austin Gabourel    | 553 |
| Clare Moody        | 544 |
| Emmanuel Velasquez | 530 |



CHRISTIAN DEMOCRATIC PARTY

|                  |     |
|------------------|-----|
| Theodore Aranda  | 368 |
| Frank Arana      | 291 |
| Wellington Eljio | 269 |
| Ralph White      | 256 |
| Joseph Palacio   | 255 |
| Marlyn Ramirez   | 250 |
| Peter L. Sabal   | 241 |

PUNTA GORDA TOWN

United Democratic Party

|                   |     |
|-------------------|-----|
| Bob Pennell       | 401 |
| Terrence Genus    | 395 |
| Andrea Gabriel    | 380 |
| Gregorio Aleman   | 366 |
| Passelli Martinez | 365 |
| Walter Valerio    | 364 |
| Eric Loreda       | 360 |

People's United Party

|                  |     |
|------------------|-----|
| Michael Espat    | 327 |
| Luke Palacio     | 318 |
| Francis Martinez | 310 |
| William Arzu     | 304 |
| Anthony Westby   | 303 |
| Olivia Sentino   | 300 |
| Gilbert Selgado  | 300 |

(70% of electorate voted)

SAN PEDRO AMBERGRAIS CAYE

INDEPENDENT

|                 |     |
|-----------------|-----|
| Angel Nunez     | 317 |
| Pedro Salazar   | 317 |
| Gilberto Gomez  | 313 |
| Edilberto Marin | 313 |
| Luis Nunez      | 309 |
| Gustavo Arceo   | 298 |
| Nicolas Varela  | 297 |

United Democratic Party

|                 |     |
|-----------------|-----|
| Manuel Heredia  | 247 |
| Ramon Nunez     | 233 |
| Jose Paz        | 230 |
| Jose Gonzalez   | 229 |
| Claudio Azueta  | 227 |
| Efrain Guerrero | 226 |
| Kevin Gonzalez  | 215 |

(84% of electorate voted)

CSO: 3298/600

BELIZE

MORE DETAILS ON ESQUIVEL BUDGET; OBJECTIONS SURFACE

Reaction to 'Existing Conditions'

Belize City THE BEACON in English 30 Mar 85 pp 3, 10

[Text] On Friday last week, Prime Minister Manuel Esquivel, acting in his capacity of Minister of Finance, delivered his maiden budget speech to the House of Representatives on behalf of the new UDP administration, which took office only three months ago after defeating George Price and the PUP in December's general elections to end thirty years of PUP rule.

Mr. Esquivel prefaced his presentation by warning that the 1985/86 budget reflects the economic conditions found upon the UDP's assumption of office. Conditions which he said "had brought this country to the brink of economic disaster, and forced the past government into the embrace of the International Monetary Fund."

Those disastrous conditions included -

1. Total borrowing from local banks stood at \$94.8 million (an whopping increase of \$23.5 million over the last year).

2. An alarming arrears of debt payments to international institutions of \$12.8 million.

3. Shortfalls in production of key agricultural commodities such as sugar (9%), Banana (1.3%), Rice (26%), Corn (11.8%), R.K. Beans (60%). Citrus jumped 55%, but is still in the recovery stage.

4. In the industrial sector shortfalls in production of flour (77.3%) and beer (33.3%) have been offset by increases in garments, cigarettes, fish products and fertilizers.

To tackle this bleak picture painted by thirty years of PUP whitewashing, the Prime Minister says that his government will implement a five-point strategy -

\*the restoration of strict fiscal discipline, including the elimination of waste and mismanagement of public funds;

\*upgrading the public sector's economic management systems and capabilities;

\*establishing infra-structural development for sustained growth;

\*providing a climate for economic stability and public confidence to encourage increased foreign and domestic private sector investment.

The \$212½ million budget calls for no further dramatic tax-increases, and has been applauded in both the public and private sectors. The modest tax measures includes a small 2% raise on stamp duties for goods cleared through customs; increase in aircraft landing fee, airport departure tax for non-residents, administrative charges for intransit goods and on hotel occupancy tax.

The Prime Minister also announced a decision to release all persons who earn a gross income of less than \$5,000.00 per annum from payment of income tax. This is expected to take 4,000 citizens off the income tax rolls, and as he put it "will reduce the amount of paper work at the Income Tax Department to enable

them to get on with other important matters." Those important matters include the collection of more than seven million dollars owed by income tax defaulters.

Mr. Esquivel called his inaugural budget "deliberately and conscientiously a worst-case scenario." But he added that "this government knows that in an year's time we will be able to say we had been too pessimistic."

Debate of the budget speech began in the House of Representatives on Thursday, and is expected to last a record two days, because of the increased seats in the House.

## PUP Criticism

Belize THE BELIZE TIMES in English 31 Mar 85 pp 1, 12

[Text] The Leader of the People's United Party in the National Assembly, Hon Florencio Marin, on Thursday countered the charges made against the previous administration in the budget speech last week.

Mr Marin told the House during the budget debate that apart from what the last government achieved, the 1985-1986 budget offers nothing new. He noted that the Prime Minister had contradicted himself in the presentation of the budget proposals to the House. The Prime Minister, he said, had deplored the state of the economy on the one hand and in the same speech he told the Assembly there had been economic growth last year. At the same time the budget had recorded a growth of 1.3 percent in the gross domestic product.

"So after all is said and done," Marin commented, "the economy shows growth--a healthy sign--instead of being on the brink of disaster," as the Prime Minister had said.

The PUP leader in the House said inflation had been kept in check in Belize by the past government. He noted that the budget also recognized this when the Prime Minister stated "the rate of inflation as measured by the consumer price index rose slightly to about 6 percent per annum more in line with international rates." Mr Marin stated that this reflected the good performance of the previous administration. At the same time he noted that industrial growth was 7 percent although some areas of the economy had not performed well. To make the point he quoted from the budget: "Preliminary data suggest that 1984 showed a substantial rise in both imports and exports."

### The IMF

The Hon Marin also countered statements critical of the relations between Belize and the International Monetary Fund (IMF). He said that to suggest the "embrace of the International Monetary Fund" is a bad and offensive relationship is not only ungenerous but also devoid of truth and integrity. He state that without the cooperation of the IMF and the US-AID, the government would not have been able to present a budget which shows that expenditure would be balanced by local revenue plus loans and transfers from abroad under the international economic cooperation programmes established bu the past government with our partners in development.

Mr Marin told the House that like other countries in the region, Belize has a working relationship with the IMF because of Belize's status of independence. He said the IMF is assisting Belize to improve its accounting procedures as well as the new budget format which embodies the operations of the statutory boards.

#### THE STATUTORY BOARDS

The Hon. Marin told the House that the UDP budget refers to the "streamlining" of statutory boards. The effect of such measures, he added, would no doubt be the laying off of some employees and the increase of rates for the service. "People will pay more for electrivity, water and other services." Indeed it is "raise up" in the cost of living, he stated.

Mr Marin also criticized the new government's provisions for what he said amounted to unnecessary spending. He charged the government with embarking on a policy of providing more money for its members and more benefits to its political cronies. He mentioned additional and unnecessary expen-

diture incurred in the decoration of ministerial offices and the increase of travelling expenses.

#### MISGUIDED TAXATION

Mr Marin told the House that the UDP had failed to live up to its election promises as spelled out in the party's manifesto. He pointed to the proposed increase in Stamp Duty, airport tax (for non-residents) the 30% increase in aircraft landing fees and the increase in hotel occupancy tax. He described this taxation as being "misguided" and could also be counterproductive. The new tax measures may have come as a surprise to many since the UDP had promised not to increase taxes.

## Assessment of 'Contradictions'

Belize City THE BELIZE TIMES in English 31 Mar 85 p 2

[Editorial: "A Budget of Contradictions and Promises Not Fulfilled"]

[Text]

The national budget of the UDP government is one which blames past PUP governments for all that is wrong but seeks to take credit for all the right things the PUP governments did. There were many right things done by the PUP which laid the base for improving economic conditions in Belize despite the world financial crisis. Some of these right things are the arrangements with the International Monetary Fund and the US Aid for International Development for budgetary and balance-of-payments support as well as a hundred million dollars worth of projects in Belize's international cooperation programmes with its partners in development.

The budget speech, further more, contradicts itself time and again. Belize is on the brink of economic disaster but the economy showed a growth of 1.3 percent in the gross domestic product; and inflation was kept at 6 percent when the consumer price index rose slightly in line with international rates.

The budget speech refers to favourable price trends in the citrus industry resulting from Belize's inclusion on the Caribbean Basin Initiative. The Banana Industry earned a bigger income thanks to price increases negotiated by the past government.

Industrial performance remained promising and there was growth of seven percent except for flour and beer which suffered from wrong policies not of government but of wrong policies and performances in other directions. Trade increased; and there were money and credit and cash in circulation. This was no doubt due to the lowering of the prime interest lending rate of 12 percent which was later increased to 14 percent by the UDP government.

The Honourable Prime Minister in one part of his budget speech blames the United States budget deficit and high interest rates for the difficult economic situation in Belize and in another part of the speech he throws all the blame on the past government.

So much for the contradictions. Let us look at some of the promises not fulfilled. There was a promise in the election campaign of not raising taxes in a misguided effort to increase government revenue. This promise was not fulfilled when the Prime Minister proposed increased taxation to be levied on the tourist industry, the intransit trade, mainly with Mexico, and on imported goods and services.

This proposed increase in taxation is not only misguided but promises to be counterproduction because the tourist industry is still in its infant stage. Instead of being encouraged it is now being burdened with more charges both in travelling and in accomodation.

They are the airport departure increased tax applicable to non-residents which include some Belizeans; a 30 percent increase of aircraft landing fees; and the increase in hotel occupancy tax.

The budget speech refers to the recovery of the transit trade with Mexico; but just when the trade is improving there will be an increase in the transit fee from two to three percent.

Worse yet. The increase in stamp tax will increase the cost of imported goods and services at a time when the measures of the past government kept the inflation rate in line with international rates.

There were campaign promises of raise of pay, more jobs and more economic activities. The stark reality is the appeal to public officers to help the government over the temporary period of austerity by exercising restraint on their just aspirations for better salaries. We recall that this was the position of the past government but the UDP campaign promises made offers which the government must now reverse.

The inclusion of the financial operations of statutory boards in the national budget will require them not only to transfer any recurrent surpluses to government but also to transfer deficit balances. To reduce such charges to the national budget statutory boards will be required either to reduce their work force or to increase their rates. This promises a bigger cost of electricity and water to consumers.

The proposed income tax relief to earners of \$5,000 income or less is small or negligible when we consider that three thousand low-income earners already enjoy that relief from the past government. This is very much less than the promised jobs to 1,000 jobless persons.

The economic strategies of the budget speech include achieving the high level of infrastructural development for sustained economic growth and providing a climate of economic stability and public confidence in order to encourage increased foreign and domestic sector investment. The budget does not carry out these strategies.

Whatever infrastructure projects, with their financial sources assured, are included in the budget are the result of the good performance of the past government but the proposed tax measures and statutory boards arrangement can only spell more decrease in investment and more increase in the cost of living.

It is a budget which falls short of the many promises the UDP made in the election campaign. These false promises based on unreality will keep on haunting the government in the days to come.

CSO: 3298/600



BELIZE

BRIEFS

MEXICAN AMBASSADOR--Belmopan, 16 Apr (CANA)--Mexico has named Manuel del Sobral as its new ambassador to Belize, the government announced today. The new envoy will present his credentials to Governor General Dame Minita Gordon next Monday. Martinez succeeds Pedro Gonzalez Rubio, who is now chief of protocol to the Mexican Presidency. Gonzalez Rubio was Mexico's first ambassador to Belize, which became independent in September 1981. [Text] [Bridgetown CANA in English 2059 GMT 16 Apr 85]

CSO: 3298/601

BOLIVIA

\$700 MILLION SOUGHT TO DEVELOP AMAZON REGION

La Paz HOY in Spanish 27 Mar 85 Econ. Supp. p 1

[Text] The government is interested in obtaining financing of approximately \$700 million to carry out the Integral Development Program of the Bolivian Amazon Region. It will basically try to develop the agricultural-livestock and agroindustrial sectors.

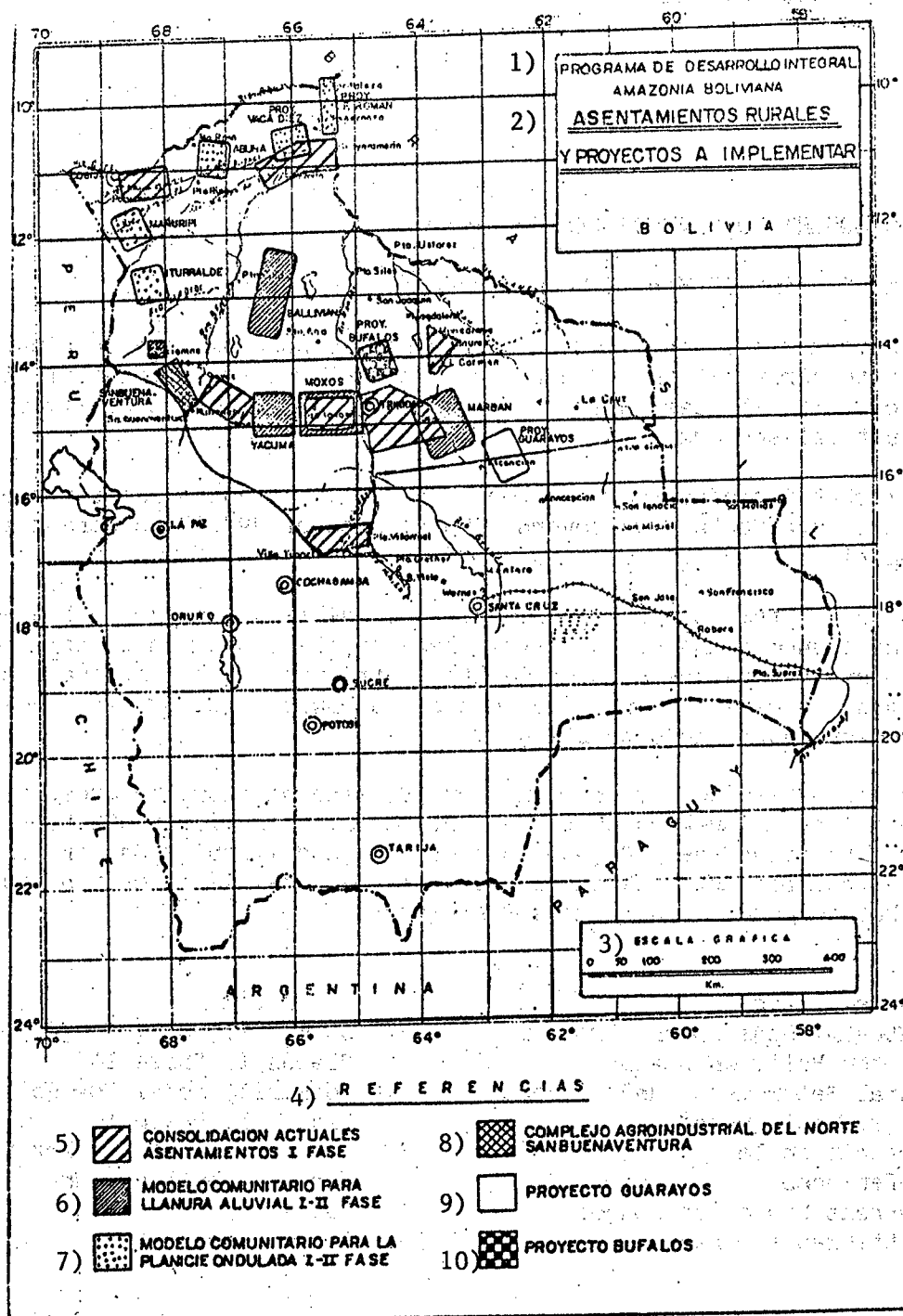
This program that includes the departments of Beni and Pando and parts of La Paz, Cochabamba and Santa Cruz covers a total area of 397,831 square kilometers with a population of approximately 350,000.

Materialization of this project will make it possible to integrate the Amazon region to the economic and social development of the country and activate its significant natural resources potential to contribute to the national self-supply of food and generate and save foreign currency. At the same time, it will help redistribute the population.

Preliminary estimates made by the Ministry of Planning show the great agricultural potential of the region that could eventually produce 17,000 tons of rubber, 16,000 tons of coffee, 108,000 tons of rice and 110,000 tons of African palm, among other products. Not only would it be possible to meet national beef needs but to generate surpluses for export.

Key [map on next page]:

- |  |  |
|--|--|
| 1. Integral Development Program of the Bolivian Amazon | 6. Community Model for Alluvial Plains I, Phase II |
| 2. Rural Settlements and Projects to Be Implemented    | 7. Community Model for Rolling Plains I, Phase II  |
| 3. Graphic scale                                       | 8. Agroindustrial Complex of Norte Sanbuenaventura |
| 4. References  | 9. Guarayos Project                                |
| 5. Current Consolidation of Settlements, Phase I       | 10. Bufalos Project                                |



7717  
CSO: 3348/599

BOLIVIA

#### PEASANTS DEMAND ELECTRIFICATION FUNDS

La Paz PRESENCIA in Spanish 29 Mar 85 p 8

[Text] In a petition sent to the president of the republic, the authorities and people of Caranavi asked the government to pass the decree to carry out the rural electrification program through MACA [Ministry of Agriculture and Peasant Affairs] and Community Development.

The mayor, the Neighborhood Council, the Civic Committee, colonizers, retail merchants, the Peasant Agrarian Federation, the police chief and other organizations demanded that the government and MACA give prompt attention to that project.

They pointed out that this service will be very important for the economy of that region and Alto Beni, the communities of Nor Yungas, the plains of Moxos, the gold deposits in Larecaja Province and northern La Paz.

They revealed that this zone has thousands of peasants, colonizers and inhabitants in rural towns who carry out effective economic activities. They noted that the municipal services are precarious. They try to solve this through the constant efforts of their inhabitants.

The people of Caranavi expressed their concern about the delay of the project to finalize financing negotiated through MACA.

They added that, with gold mining based on rural electrification installed in Larecaja Province, the government can easily recover the investments it makes in this project. This is also true because of agricultural production and production of staples like rice, coffee, citrus, cacao, rubber, wood and by-products.

The planned decree to carry out the rural electrification program was introduced by the minister of agriculture and peasant affairs.

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CSO: 3348/599

BOLIVIA

ADN COULD TURN OVER SOME COMIBOL FIRMS TO PRIVATE SECTOR

La Paz HOY in Spanish 31 Mar 85 Econ. Supp. p 1

[Text] None of the enterprises under the Mining Corporation of Bolivia (COMIBOL) has tin production costs that are below the current price on the international market, stated government sources.

According to data provided to this newspaper, the production costs (market-ready) of COMIBOL enterprises are as follows: Colquechaca, \$25 per pound of tin; Catavi, \$20 per pound; and Unificada, \$12 per pound of tin.

Among the COMIBOL mines with the lowest tin production costs are Huanuni, \$5.70 per pound; Bolivar, \$6.60 per pound; and Quechisla, \$7.90 per pound.

It is thus clear that none of the enterprises managed by COMIBOL has costs below the international prices. This fact has a severe impact on the corporation's deficit.

Unfortunately, reported the sources, the Mining Corporation of Bolivia is plagued by obsolete equipment, excess workers and low-quality minerals, among other factors.

Moreover, it was noted that under the current management, even in the best of cases, COMIBOL will generate a little over \$200 million. Among its expenses, the payroll alone accounts for about \$120 million, and its subsidized grocery stores cost another \$45 million. With these two expenses, nearly all the nationalized mining corporation's revenues are eaten up.

This situation reveals that if COMIBOL does not make some drastic changes, it will be permanently bankrupt, and the entire Bolivian population will have to bear the burden of its deficits.

The sources recalled that under the present circumstances, any wage increase that is implemented in the Mining Corporation of Bolivia is paid with a tax credit, which simply represents more issuances of currency, with the consequent inflationary effects.

One government decision that could help this mining enterprise, they stressed, would be an exchange policy allowing it to earn more income on its exports.

In this regard, before the economic measures adopted last February, COMIBOL required an exchange rate of 90,000 Bolivian pesos to the dollar.

The sources lamented that this fact is not taken into consideration by the unions, and that any devaluation is considered a measure imposed by the International Monetary Fund, rather than something necessary to improve the lot of the entire export sector.

So far, they reiterated, thanks to the unions, it has been necessary to punish both public and private export firms to subsidize the import sector. Because of the low official price of the dollar (in contrast to a constantly rising black market price), the share of non-traditional exports dropped considerably, and exporting public enterprises ran up serious deficits.

#### Make Some COMIBOL Enterprises Private?

Finally, it can be noted that the political platform of the Nationalist Democratic Action Party (ADN) envisions the possibility of turning some COMIBOL enterprises over to the private sector, and placing others in the hands of their workers (cooperatizing them). The rest would remain as they are now.

This report was released unofficially, but by highly reliable sources.

They claimed that in this way, the state would stop subsidizing a deficit-ridden enterprises, which is subsisting on tax credits.

8926

CSO: 3348/598

BOLIVIA

MINISTER POMMIER SEEKS TO RENEGOTIATE KARACHIPAMPA DEBT

La Paz PRESENCIA in Spanish 30 Mar 85 p 9

[Text] Next week Minister of Mining and Metallurgy Luis Pommier will travel to Belgium and Germany to renegotiate the debt on the Karachipampa plant. The debt, which is past due, totals \$126 million.

In this connection, a meeting was held yesterday to provide information on the situation at Karachipampa. Present were representatives of all interested parties in the mining sector, as well as members of various state institutions. The minister explained the status of the overdue debt to those present, as follows:

|                          |                  |
|--------------------------|------------------|
| German Government        | US \$27,000,000  |
| German Banks             | US \$15,000,000  |
| German Institutions      | US \$13,000,000  |
| Belgian Government       | US \$ 6,000,000  |
| Belgian Commercial Banks | US \$28,000,000  |
| COMIBOL and ENAF         | US \$ 6,500,000  |
| Central Bank of Bolivia  | US \$31,000,000  |
| Total                    | US \$126,500,000 |

Pommier stated that for the Karachipampa plant to operate, start-up capital of \$6 million will be necessary. Those funds will also be sought in European countries.

Raul Espana Smith, the representative of the National Medium-scale Miners Association, proposed the "freezing of payments on the overdue debt for 3 years." He suggested that 2 years would be necessary to build up reserves for the plant, and a 1-year grace period would be needed for rehabilitation. Then the payments on the debt could begin the following year. Until then, only interest payments would be made.

On behalf of the 28 medium-scale miners, he stated: "The Belgian and German Governments as well as Klockner should be invited to be copartners in the Karachipampa plant."

Spokesmen for the unions representing workers at the National Smelting Enterprise (ENAF), the Karachipampa plant and the Federation of Miners, all spoke

at the meeting. They expressed their concern about the lack of lead and silver supplies for the smelting of minerals. These metals are not produced because of the disincentive resulting from low prices on the international market. They also stated it was necessary to set a date to begin operations at the plant.

After a discussion among the parliamentary representatives of Potosi, the Mining Chamber, the Association of Medium-scale Miners and other delegates from the government sector, it was decided to form a commission to study the technical and financial situation and the supply of minerals for the plant.

In the financial sphere, ways should be sought to renegotiate the overdue debt with the German and Belgian governments and institutions. In addition, start-up capital for the plant should be sought.

In the technical sphere, tests should be done to determine if there are defects in the facility, with a preliminary start-up of the plant. Complementary reports should also be received.

As for supplies, attempts should be made to provide incentives for lead production with realistic prices, credit and other means of stimulating the mining industry, because there are major lead reserves in the country. The current price is US \$0.16 per fine pound, not enough to meet production costs.

The commission is to draft its report after the minister returns from renegotiating the debt in Germany and Belgium.

8926

CSO: 3348/598



BOLIVIA

PROJECT UNDER STUDY AIMED AT STRENGTHENING MINING PRODUCTION

La Paz PRESENCIA in Spanish 29 Mar 85 p 8

[Text] For the purpose of boosting the country's mining production, Minister of Mining and Metallurgy Luis Pommier told PRESENCIA that the Bolivian Geological Service (GEOBOL) is supposed to conduct studies of deposits in the eastern Precambrian zone. That area will be the base of new mining development, said the minister in response to questions by the "Tema de Analisis" staff.

At present, GEOBOL is carrying out serious studies to determine the extent of the mining deposits that will be worked using the alluvial system (strip mining), which is a low-cost means of extracting the minerals.

Mixed corporations will be formed for the development of the new mining projects, said Pommier, in order to attract risk capital from abroad. After a given period of time, the mines will be turned over to the state.

The Precambrian layer that is located in the eastern region, covering the departments of Santa Cruz and Beni and the Brazilian states of Rondonia and Matogrosso, will soon be excluded from government reserves in order to promote the alluvial mining development.

The minister believes that alluvial mining is low cost, which could make up for the high cost of tin production that the Bolivian Mining Corporation (COMIBOL) must underwrite.

Cooperatives

Pommier stated that at present 25,000 workers belong to cooperatives formed to prospect for minerals. The government is carrying out the greatest efforts to solve the problems of these workers, who mine the minerals "by hand, without having received adequate support so far. For this reason, we will try to find ways to help them purchase inputs, tools, and production equipment. We will also help them with food supplies."

In Tipuani, said the minister, total gold production is 1 ton per year. This is a very low production rate for such a rich area. The goal at present is 5 tons of gold per year, and for this purpose the government has decided to lend full cooperation and facilities to the cooperative sector in order to help it mechanize mining operations and prevent production losses.

BOLIVIA

PROJECTED MINING POLICY TO BRING TOGETHER SMALL MINERS

La Paz PRESENCIA in Spanish 29 Mar 85 p 8

[Text] The new mining-metallurgical policy proposed at the seminar is based on the need to deal with the crisis in a positive manner, and for that purpose the mining nuclearization program will be implemented. This plan will enable 1,500 small mines to function, will fully equip 1,000 mining companies, employ 10,000 workers, and generate approximately \$100 million per year.

Walter Mur, president of the Mining Chamber of La Paz, said that yesterday, after long deliberations, a 70-page document on the present and future of the mining sector was approved.

The new policy is based on the mining nuclearization program, which will make possible the integral mechanization of small mining operations, whose production equipment is owned by the mining chamber.

"The financial arm will be the Banco Illimani S.A., which will be able to channel the resources," he said.

The minerals and metals marketing enterprise will be another instrument for obtaining better results in negotiations and sales of concentrates, using modern concepts.

Another system that will provide better assistance to miners will be the new Warrant mineral firm. It will finance the preparation of lots for mining, preserving buying capacity. The building under construction will serve as collateral to back the projects.

At the conclusion of the seminar, Mur stated that "the new philosophy of small-scale mining, which is full of enthusiasm, will allow for a wide range of feasible programs and attainable goals." He spoke of a "new mentality for preserving the sector's productive apparatus, turning the small miner into a true national businessman, at the cutting edge of the Bolivian economy. His productivity will increase, as will capital formation, and he will be able to provide fair wages to his workers."

"The new policy," he said, "aims to implement incentive plans, introduce appropriate technology in prospecting, mining and concentration, raising

production and productivity levels and increasing the recovery of concentrates."

He added that the documents "have a strong regional tone, since they advocate the development of the department of La Paz and increased productivity in all sectors. They also protect economic security and integrate all the mineral-producing provinces."

8926

CSO: 3348/598

BOLIVIA

TROTSKYIST FRONT WINS UNIVERSITY ELECTION

PY050235 Paris AFP in Spanish 1359 GMT 4 May 85

[Text] La Paz, 4 May (AFP)--It was reported here today that the winner of the election of the University Federation of San Andres University (UMSA) is the Revolutionary Union of Revolutionary University Students (URUS), a Trotskyist front. UMSA is located in La Paz and is Bolivia's most important university.

URUS will thus for the second consecutive year control the top university leadership, on which it has imposed a radical line of continuous criticism of the labor leaders on charges that they have not displayed an attitude of open confrontation with the status quo.

Erick Rojas, the top leader of the winning list, who was arrested a few weeks ago on charges of seizing a policeman's gun, has said that the University Federation will maintain its policy of struggle for a dictatorship of the proletariat and against any attempt to impose reforms.

The results of the elections were: URUS, 2,043 votes; Student Union (UNE); 1,560; Julian Apaza University Movement (MUJA), 625; blank votes, 1,770. However, abstention ran high, as more than 20,000 students did not vote.

CSO: 3348/643

BOLIVIA

BRIEFS

SANTA CRUZ-COCHABAMBA ELECTRIC NETWORK--(ANF) The electrical project to connect Santa Cruz and Cochabamba is a priority since it will permit better exploitation of hydroelectric resources and a fuel savings, according to the National Electrification Enterprise. This project requires financing for "manpower" and some equipment. In 1982 a loan for \$12 million was finalized through CACEX [Foreign Trade Department] of Brazil. This was used to buy the towers and cables that are now in the Santa Cruz warehouses. The Swedish Government donated \$2.5 million in equipment for the project. The interconnection project includes the construction of a transmission line 360 kilometers long with 220,000 volts between Cochabamba and Santa Cruz and the associated substations. [Text] [La Paz PRESENCIA in Spanish 31 Mar 85 p 9] 7717

CSO: 3348/599

BRAZIL

## OBSTACLES TO IMPROVED TRADE RELATIONS WITH EAST EUROPE

Sao Paulo INDUSTRIA & DESENVOLVIMENTO in Portuguese Feb 85 pp 20-22

[Text] East Europe, a Great Challenge:

A market consisting of 397 million inhabitants with a per capita income of \$5,270 and an overall volume of imports and exports in the neighborhood of \$250 billion annually: those figures reflect the magnitude of the market represented by the member-countries of the Council for Mutual Economic Assistance (COMECON), an organization similar to the European Economic Community (EEC), comprised of the East European socialist countries.

Even in the face of that enormous potential, the figures for Brazilian trade with those countries are traditionally low, amounting to about 2 billion annually despite the increase that has occurred in recent years. The main factor hampering trade has been the chronic trade imbalance in favor of Brazil. Between 1975 and 1983, Brazil accumulated a surplus in the order of \$7 billion. In the first months of last year alone, that balance was \$672 million, with imports of about \$326 million and exports of \$998 million.

A special peculiarity of the relationship between Brazil and the eight East European countries is that the exchanges take place within the framework of bilateral trade and payments agreements that, among other clauses, establish favored treatment for each of the sides and forms of payment. With the majority of the countries in that region--Bulgaria, Hungary, Poland, the German Democratic Republic and Romania--the exchange is made through a bookkeeping currency arrangement or "clearing:" a transaction in which the accounts are calculated according to a dollar-agreement and liquidated at the end of a given period. For the Brazilian side, the Central Bank advances the amount of the sale to the Brazilian exporter and is reimbursed afterwards by a banking institution from the other country. With the Soviet Union, Czechoslovakia and Yugoslavia, payment is made in convertible currency.

Between 1974 and 1983, trade with the region increased at an average rate of 13.9 percent per year, much more than the overall increase of Brazilian trade transactions, which was in the order of 6.8 percent.

In absolute figures, the exchanges tripled in that period, going from \$616 million to \$1.98 billion. Thus, exports to the region, which represented 5.7 percent of the Brazilian total in 1974, increased to 6.8 percent in 1983. Similarly, sales by those countries to Brazil went from a share of 1.3 percent to 3.3 percent of the total during the same period.

In the opinion of the chief of the Promotion and Markets Department (DEPEM) of the Foreign Trade Department of the Bank of Brazil (CACEX), Jose Carlos Coimbra, the imbalance in exchange relations in favor of Brazil is due to a number of factors. In the first place, the two economies are not complementary: "There is a vast range of Brazilian products that they need to purchase. On the Brazilian side, that interest is not reciprocal because we have other supply alternatives for the products in those countries' export schedules. That problem stems from the fact that in those socialist countries importing is a state monopoly governed by political criteria, while in Brazil purchases are made by private enterprise which takes into account only the economic aspect."

Coimbra indicated other reasons that prevent the increase of purchases from East European countries, such as the reduction of public investments. "At the state level our purchases dropped appreciably, today being practically restricted to Soviet oil. For example, investments in the hydroelectric sector, where we could import equipment, have been very small. That situation will only change when our economy warms up again and some projects are resumed."

The Brazilian policy of replacing imports itself has had an effect on trade transactions, mainly in the chemical, fertilizer and nonferrous sectors, products formerly imported in large quantities from that region which began to be produced domestically or had their production increased.

"In my opinion," declared Coimbra, "it is important for Brazil to increase its imports from those countries in order to sell more in return. In that regard, it is much more a matter of a lack of energy rather than of capital. The impasse could be broken if the socialists began to act more aggressively in our market, with more active promotional action, establishing a tradition of trade of some items that are supplied by European countries, America and Japan. In that aspect, the 'trading companies' that operate in both directions could make a valuable contribution."

Another alternative indicated by the chief of DEPEM would be the establishment of some sort of incentive that would raise the awareness of the national businessmen with the granting of more flexible financing credits. Hungary and the GDR established such lines of credit, which became a great factor in encouraging Brazilian imports.

Primary Products. While, on the one hand, the COMECON countries do not have a tradition as suppliers of some manufactured goods to Brazil, the reverse is also true. Essentially, Brazil has been a supplier of primary

products, which account for 75 percent of total sales to that region. About 30 percent represent soybeans, followed by raw coffee beans and hematite (iron ore), declared Ambassador Ivan Velloso da Silveira Batalha, chairman of the Commission on Trade With East Europe (COLESTE), a joint organization dealing with matters involving Brazilian relations with East Europe which is comprised of the Ministry of Industry and Commerce, the Planning Secretariat, Bank of Brazil, Central Bank, CACEX, the Vale do Rio Doce and the National Industry Confederation.

Even so, Ivan Batalha pointed out that industrialized products have been gaining a greater share of the exports to the COMECON area: "In 1980, we sold 100 percent more manufactured goods than in 1979, while overall exports to the area grew 30 percent. The main products responsible for this increase were cotton threads, textiles and soluble coffee. However, since the absolute value is very small, that 100 percent figure was not very significant."

In the opinion of Ivan Batalha, Brazil needs to find less orthodox solutions to increase trade with that region, utilizing certain strategies such as industrial complementation, purchasing components for domestically manufactured products. "Such is the case of the East German cranes. We could try to form new partnerships to operate in third markets, as Norberto Odebrecht Construction did in partnership with the Soviet Union to build a hydroelectric plant in Angola. Since the trade structure does not offer the means for growth in the short term, we need to seek solutions of that type. That is the function of COLESTE: to stimulate exchange and open new areas so that private enterprise can operate more aggressively."

A similar opinion was expressed by the executive secretary of COLESTE, Minister Jeronimo J. Moscardo de Souza, who believes that trade relations with those countries must be encouraged at all costs. "There is a great repressed demand in those countries which one day will not be able to be contained. As of now, we have to establish a tradition as suppliers of products that contain some portion of technology or we will lose the opportunity to penetrate that immense market which is taking shape. Today, there is a gap between the rules in effect in those countries and the new customs. The populations of East Europe, mainly the young, have suddenly opened their eyes to the West. Little by little, the consumer is becoming more demanding and wants to buy articles that are not produced domestically, such as jeans, tennis shoes, among other items."

Dedication and Perseverance. In the opinion of the director of Brazil Marketing International, Paulo Manoel Protasio, the entry of Brazilian manufactured goods in that market will depend on an intensive and long marketing effort. "Brazil enjoys a good reputation as the supplier of primary goods, but in the area of industrialized goods there is complete ignorance about the Brazilian product. That stems in part from the age of trade relations between the two sides, which is about 20 years. For them, that is a very short time. My company has succeeded in exporting consumer products such as china produced here and is presently manufacturing



medical-hospital equipment in partnership with a Hungarian company. That was possible only after much work to gain their confidence, the confidence that there will be continuity of supply, of quality and assistance."

Protasio agreed with Moscardo de Souza regarding the great increase of consumption levels in the East European countries: "The consumer is much more in a position to buy than the market is in a position to supply. Thus, in the coming years we are going to witness an extraordinary expansion of demand.

Today if somebody gets a representation in Moscow to sell any product, such as a camera, his stock will be depleted rapidly with queues of purchasers because consumption has been greatly restricted. If Brazil observes that opportunity with attention, thinking of common projects with the companies there, we will get a good slice of that market."

Practically repeating Protasio's words, the president of the Brazilian Association of Foreign Trade Companies, Eduardo de Paulo Ribeiro, maintained that, in view of the high cost of maintaining offices in the East European capitals, the natural route for penetrating those markets is the "trading company." "By grouping companies and products, the trading companies operate in an economy of scale that is very difficult to be achieved by individual exporters. In addition, those companies operate by taking and buying products, which facilitates their activity since those countries preferentially import from their buyers."

The Partners. Brazil's trade exchange with East Europe showed the Soviet Union to be the main partner--a position lost to Poland in 1977 and regained in 1981--which represents about 42 percent of Brazilian trade with the area. Of \$70 billion in annual imports, Brazil accounts for 3.06 percent and imports only 0.21 percent of the USSR's overall sales. For the Brazilian side, the principal export items have been basic products, which accounted for 90 percent of Soviet sales to Brazil in 1983.

Formerly, Brazil was a large importer of heavy machinery and technology from the USSR, such as the equipment for the Sobradinho hydroelectric plant and the Ilha Grande plant, the contract of which was postponed because of the delay in the project's timetable. Some experiments were made in the area of technology with the execution of a contract signed between the Neftchim Promexport and the Brazilian Alcohol Company (COALBRA) for the installation of an ethanol production plant, which went into operation in Uberlandia early last year.

Another of Brazil's important trade partners is Poland, which in 1975 signed a protocol to supply coal in exchange for iron ore, products that head their reciprocal exchange schedules. Even though it has lost first place in trade with Brazil, Poland is still one of the countries in that region that exports the most to Brazil, accounting for 38.6 percent of the total in 1983.

Nevertheless, relations between both countries have been stagnating. On the one hand, Brazil restricted its purchases of Polish coal by 21 percent in the first 9 months of last year; on the other, that country has been making an effort to recover from the crisis and cope with a large foreign debt.

"We need to improve our trade balance without being restrictive," declared Roman Mlyniec, Polish foreign trade specialist. "However, the entry of some products such as cocoa, in demand by our market, is temporarily hampered by foreign exchange problems."

Mlyniec declared also that his government has been operating according to the policy of giving priority to relations with socialist and developing countries. "The sanctions of a strictly political nature by the developed nations caused great disappointment in Poland and a loss in the order of \$15 billion. Thus, we are redirecting our purchases with the preparation of lists of products that can be supplied by the underdeveloped and developing countries. And Brazil, which is one of the first overseas countries to trade with Poland--since 1920--should figure prominently in those lists."

With Czechoslovakia, the trade balance shows a surplus favorable to Brazil in the order of \$530 million, accrued between 1974 and 1983. In the first 9 months of 1984, Brazilian exports to that country totaled \$65.6 million as against imports of \$9.6 million. According to Stanislav Matocha, Czech adviser for foreign trade affairs, imports from Brazil represent 0.78 percent of the total. Although that share is small, it is higher than that of the United States or Japan, he pointed out. "There are great prospects for Brazilian iron ore and manganese despite the pressures of other suppliers. But Brazil needs to reduce its chronic surplus with my country. We have a great tradition in the manufacture of machines, which represents half of our industrial production and we would like to continue it in Brazil."

#### Relations Under Discussion

The stimulation of trade with the member-countries of COMECON depends directly on the expansion of Brazilian imports from those countries. That was the unanimous conclusion of the Seminar on Trade With East European Countries held on 6-7 February in the Industrial Social Service (SESI) auditorium in Sao Paulo.

On opening the meeting, Foreign Minister Ramiro Saraiva Guerreiro admitted that, despite the significant growth of overall trade with East Europe, problems still persist "the solution of which is imperative to permit exchange at higher levels more compatible with the potential of the developed economies. The chronic imbalance of the trade balance has been indicated as one of the main obstacles to be overcome. From 1975 to 1983, Brazil accrued favorable trade balances in excess of \$7 billion with the countries in that area."

Taking advantage of the presence of representatives of the Soviet Union, Czechoslovakia, Poland, Bulgaria, Hungary the German Democratic Republic, COMECON and the UN Conference for Trade and Development (UNCTAD), Guerreiro pointed out other factors that hampered the development of trade between Brazil and East Europe: the fact that some partners demanded the role of exporters of manufactured goods and importers of raw materials, "structural differences between the economies, lack of appropriate mechanisms to establish our trade policy in the area and the tendency to engage in transactions that preferentially involve the Brazilian public sector."

Also at the opening of the seminar, which was promoted by the Foreign Trade Department (DECEX) of the Sao Paulo State Federation of Industries (FIESP), Mario Amato, declared that "being aware of the difference between the economies of East Europe and our own, we are cognizant of the fact that for us the promotion of trade is not enough; in such a case, the importance of political decisions increases. It is undeniable that we are faced with a market of fundamental interest, the more so at a moment of serious world economic crisis, when the existence of bilateral arrangements merit our consideration more and more."

After the opening of the meeting, Ambassador Ivan Velloso da Silveira Batalha, chairman of COLESTE, explained the services which the commission offers the companies interested in entering that market, citing a number of achievements, such as the bilateral trade and payments agreements signed with those countries.

On the second day of the meeting, the chief of the CACEX Promotion and Market Department (DEPEM), Jose Carlos Coimbra, made a presentation about Brazil-East Europe exchange, analyzing the performance of the principal products exchanged.

Minister J. J. Moscardo de Souza, executive secretary of COLESTE, made suggestions to improve trade between Brazil and COMECON countries, such as the creation of flexible arrangements that will permit the absorption of technology from East Europe, preparing studies to keep abreast of the evolution of trade exchange and the establishment of a training center for Brazilian trade agents specialized in that region.

Closing the meeting, the director of DECEX, Jamil Nicolau Aun, declared that although trade between Brazil and East European countries has been growing gradually, we must recognize that it amounts to only 1 percent of the immense potential offered by that market. The significant increase of commercial and technological exchange will depend on the effort of both sides, which will result in better mutual understanding that will make it possible more quickly to find solutions that best respond to the interests of both sides."

8711

CSO: 3342/146

CHILE

COMMUNIST LEADER DISCUSSES NATION'S ECONOMIC WOES

PA021604 Havana International Service in Spanish 0000 GMT 2 May 85

[Text] Chilean communist leader (Hugo Facio) has asserted in Budapest that Chile is facing an extremely distressing economic situation because of the plundering to which it has been subjected and the financial imposition imposed by the IMF, which have made the country's foreign debt soar to \$23 billion.

In statements to the news agency PRENSA LATINA in the Hungarian capital, the member of the Chilean Communist Party's Political Commission said that in view of this situation, Pinochet's regime is pushing the country closer to ruin instead of seeking a renegotiation of the debt. (Facio) added that Chile is the Latin American country that has suffered the most as a result of trade conditions in the last 15 years, which means that Chile must export three times what it (?exported) in 1970 to purchase the same amount of goods it imported at that time.

Meanwhile, it has been learned that the Chilean regime released French citizens (Michel Bourguinat) and his wife (Marie Loreto Joqueres) on Wednesday. (Bourguinat) and (Joqueres) were arrested by the Chilean police on Friday while participating in an event in Santiago to mark the 52d anniversary of the Chilean Socialist Party.

CSO: 3348/648

CHILE

MOSCOW BROADCASTS MESSAGE TO CARABINEROS

PY031620 Moscow Radio Magallanes in Spanish to Chile 0200 GMT 29 Apr 85

["Text" of message entitled: "Order and Fatherland, You Also Can," issued by the Committee of Carabineros for the Democratic Recovery of Chile, on the 58th anniversary of the founding of Carabineros Corps--announcer read]

[Text] Another document that is circulating throughout the police units is signed by the Committee of Carabineros for the Democratic Recovery of Chile and is entitled Order and Fatherland: You Also Can. The slogan Order and Fatherland, by which the citizenry have always known the Carabineros Corps, has been falling into disrepute of late. The image of the Carabineros policeman as a man devoted to service to the citizenry, to protection and guidance of children, to sacrifice and effort on behalf of the fatherland is a thing of the past.

The image of the Carabineros is now associated with repression, abuse of demonstrators, arrest of children and street vendors, who try to earn a few coins in order to feed their families, assassinations, such as those in Lonquén and (Umbel), murder of clergymen, like Father Andre Garlan and, in some cases, denunciation [words indistinct] shooting at our comrades in arms.

At the national level, the document adds, the image has been marred by business deals and economic scandals in which several members of the government have been involved, including our director general. It is time, the document says then, that the Carabineros resume the path from which we never should have departed.

Continuing, the Committee of Carabineros for the Democratic Recovery of Chile proposes ideas as to how our discontent can be expressed. The suggestions are given under a Carabineros Decalogue, and they are the following:

1. Petition for transfer from the repressive departments to the traffic, administration, or other departments.
2. Whenever there are calls for protests, marches, or other types of demonstration by civilians, call in sick, request time off, or refuse to serve extra hours.
3. Arrive late to official ceremonies, summonses, or the like.

4. Report to formation with uniforms and arms in conditions other than those required by regulations.
5. Decide not to beat, not to arrest, not to repress, and not to provoke demonstrators in street demonstrations, because members of your family could be among those demonstrators.
6. During searches in the shantytowns, look the other way if you see anything; whenever you know about a search in advance, notify the Vicariate of Solidarity or human right organizations over a public phone, giving no personal identification.
7. Whenever you learn the name of informers, collaborators who denounce the combatants of the opposition, make their names known so that the people can take care of them.
8. Refuse to work for the SNI [National Intelligence Service], because they will use you, and then dump you when you are no longer useful; denounce SNI members who serve in the Carabineros Corps, because they give a bad name to the corps and act as inside informers.
9. Encourage your family to participate in protests and other demonstrations; ask them to heed the instructions not to send children to school, not to shop, not to pay bills, to beat pots and pans, etc.
10. Whenever you can, advise the families of prisoners of the place of their imprisonment, the circumstances under which they were arrested, etc.

The document concludes by noting that today, more than ever, the words of the priest of the La Victoria shantytown, [name indistinct], are true. These words were addressed to the Carabineros: Before you go on searches in the shantytown, you should take care of your wife, your children, your cousins, and the children you love. Would you please carry their picture in your pocket, and look at them before shooting.

CSO: 3348/648

CHILE

## MUNICIPALITIES LAW WOULD ALLOW GREATER CITIZEN PARTICIPATION

Santiago LA NACION in Spanish 18 Mar 85 p 7

[Text] According to Maximiano Errazuriz, who is a lawyer and professor of law, the Organic Municipalities Law, which is to replace Decree Law No. 1,289 on the same subject--including CODECOS [Councils for Community Development] and COREDES [Regional Development Councils]--is comparable in importance only to the Political Constitution.

The lawyer explains that one must avoid the mistake of thinking that there is one law about both kinds of council; he also indicates that the law on municipalities is of the greatest importance to the country, "comparable only to the political constitution."

He bases this statement on four basic points. The first of these, as he explains the matter, is the fact that the municipalities administer 76 percent of all education. "How could any law not be fundamental when it regulates the participation of the community at the community level, through social organizations, rather than political ones, as was formerly the case? This means giving the community the possibility of participating not only in the appointment of mayors but also in the administration of education and health," Errazuriz declares.

In the second place, he refers to the funds handled by the municipalities, recalling that, in 1975, they received 2 billion pesos and that the figure now reaches 30 billion.

In the third place, he mentions the fact that the new law means putting an end to the appointment of mayors by the president and launches the system of appointments that will eventually become definitive, "all this in conformance with transitory article 15, letter 'A,' number 2, of the Constitution."

### Active Participation

Finally, in point four, the lawyer says that this means that the neighborhood boards, in their capacity as territorial organizations, as well as voluntary groups, parents' centers and other similar organizations, in their quality of functional organizations, including being responsible for economic activities relevant to each community, will henceforth be able to participate actively in community planning.

"This is a constitutional organic law, which means that, in order for it to be amended, the votes of 3/5 of the sitting deputies and senators would be needed. Consequently, its prompt promulgation seems to me fundamental, in order that any changes that may be required can be made now, rather than when the congress has been established," the expert indicates.

He adds that, at that time, it will be impossible to obtain such a high majority and proposes at the same time that, when draft laws are being considered by committees of the legislature, they should be communicated to the public in general and community organizations in particular, so that changes indicated by experience may thus be suggested.

Maximiliano Errazuriz is an expert in the subject, who is perceived as one of the promoters of this system of citizen participation.

12336

CSO: 3348/515



17 May 1985

CHILE

## PRICE OF WOOD FOR HOUSING RECONSTRUCTION SET

Santiago EL MERCURIO in Spanish 18 Mar 85 p C-1

[Excerpt] Miguel Angel Poduje, minister of housing, informed the public yesterday that an agreement has been signed with the Wood Corporation (CORMA), the organization controlling 90 percent of this building material in the country, to provide at a given price all the wood needed to begin the construction of slope-roofed housing.

He added that the problem of emergency housing has thus been totally resolved and that plans to provide building materials quickly and effectively will begin to be implemented today.

The information was communicated by the secretary of state at the conclusion of a meeting at the Palacio de la Moneda (seat of the presidency).

As for the Chilean Association of the Building Industry, this organization said that it would take action through its affiliates to ensure, for a given sum, all the production required by the circumstances.

With regard to distribution of the materials, Poduje indicated that it will be carried out through the Emergency Headquarters.

"As for permanent housing, our organization's plan for physical improvements provides that, beginning 21 March, we will bid on more than 10,000 housing units, provided that we have reached agreement with the World Bank on this subject," he said.

40,000 [as published] Housing Units

He noted that, in addition, a medium-term action plan should be prepared, which would imply adopting lines of credit, emphasizing housing subsidies and reframing the Housing Ministry's existing action plan so as to orient it toward reconstruction.

Minister of Housing Poduje stated that 12,500 emergency housing units have already been contracted for and that, as a consequence of the agreements with CORMA and the Chilean Association of the Building Industry, contracting for another 10,000 is expected.

12336

CSO: 3348/515

CHILE

BRIEFS

NEW ARMY CHIEFS--Brigadier General Gaston Frez Arancibia has been appointed commander of the Sixth Army Division replacing General Jorge Dowling Santa Maria, who has been appointed chief of the Army Logistical Support Command. General Sergio Perez Hormazabal has been appointed chief of the Army Rationalization and Development Department, replacing General Frez. [Summary] [Santiago EL MERCURIO in Spanish 10 Apr 85 p C3]

NEW ENVOY TO PANAMA--The Panamanian Government on 25 March approved the designation of Brigadier General Dante Iturraga as the Chilean ambassador to Panama. Iturraga is replacing Ivan Dobud Urqueta. [Excerpts] [Santiago EL MERCURIO in Spanish 26 Mar 85 p C 2 PY]

HONDURAN AMBASSADOR--Francisco Lopez Reyes, the new Honduran ambassador to Chile, on 25 March presented his credentials to Foreign Minister Jaime del Valle. [Excerpt] [Santiago EL MERCURIO in Spanish 26 Mar 85 p C 2 PY]

JARPA DECLINES OAS POST--Sergio Onofre Jarpa, who recently resigned as minister of the interior, has stated that he will not accept the position of Chilean ambassador to the OAS, which, it has been learned unofficially, was offered him. Jarpa, who laid down his ministerial duties on 11 February, after having held the position since August 1983, during the period of greatest dissident political effervescence, said that he would not accept the OAS ambassadorship in Washington and, "I believe that there are much better qualified candidates--career officials who would do it much better than I." The Chilean embassy to the OAS has been without a head since Monica Madariaga was forced to resign for having made statements against the political-administrative line of the president, Gen Augusto Pinochet. [Text] [Bogota EL TIEMPO in Spanish 14 Mar 85 p 7-A] 12336

MILITARY HOUSEHOLD CHIEF NAMED--Army Col Guillermo Garin yesterday assumed his duties as the new head of the president's Military Household. Subsequently, he met with the journalists composing the Group of Moneda Reporters, on which occasion he offered them his full support in carrying out their mission to inform the public on government activities. He also declared that it was his firm intention to maintain the open door policy that has always existed vis-a-vis the representatives of the various communications media. Col Garin is replacing Brig Jorge Ballerino, who is going to Madrid as head of the Chilean military mission in Spain. [Text] [Santiago EL MERCURIO in Spanish 16 Mar 85 p C-3] 12336

COLOMBIA

FOREIGN TRADE IMPEDED BY NEW CUSTOMS POLICY

Bogota EL TIEMPO in Spanish 13 Mar 85 pp 1-A, 7-A

/Article by Carlos Pineros/

/Excerpt/ Colombia's foreign trade is on the verge of being paralyzed, because the government has required that duty be paid in Bogota on all goods arriving at Eldorado airport; and foreign airlines are already threatening to transport our nation's goods only to Madrid, Paris and Frankfurt.

The paralysis has already begun: there are 50,000 kilos of imported merchandise which was brought in by Avianca, and 100,000 kilos brought in by other companies bound for cities other than Bogota, which has not been shipped on because Customs requires that duty be paid in the capital.

"The chaos in Eldorado is already beginning to make itself felt, because storage capacity is overflowing, delicate, perishable, and even conserved goods are increasingly at risk; and if the problems persist, the frequency of flights to the country will be reduced, which will also limit our ability to transport goods for export," Hernando Arciniegas, head of the Council of Transport Users, Cutma, warned yesterday.

Representatives of Cutma, Avianca, Lufthansa, Iberia, Lac and Tampa yesterday made a visit to the director general of Customs, Rafael Poveda Alfonso, to press him to find a solution to this problem, which began on 1 March, when a new customs code came into effect. The official told them that they would be given a "response" next week.

8131

CSO: 3348/487

COLOMBIA

MANAGEMENT CONGRESS SCORES GOVERNMENT INTERVENTION, PLANNING

Bogota EL TIEMPO in Spanish 13 Mar 85 p 9-B

/Text/ Colombia is a very poorly administrated country, it suffers from a tendency to focus on immediacy with an absolute lack of long-term planning, distinguished leaders of private enterprise declared during a forum which was held within the XII Panamaerican Conference on Management.

The presidents of Fenalco, Juan Martin Caicedo Ferrer; of Camacol, Tulio Echeverry Roiz; and of Acoplasticos, Carlos A. Garay, openly criticized the unmanageable cumbersomeness of the Colombian State, and its excessive intervention into private enterprise.

According to the president of Fenalco, in Colombia the government's role in drawing up plans and carrying them out has not been well conceived, and there is a lack of adequate administrative strategies in those plans.

The association leader noted that there is a split between policies and the administration of them, and because the administration is looked upon as an end and not a means, there is a high degree of inefficiency. In his view, the National Front "was a bureaucratic marriage" between two parties, which did not produce any results in achieving efficiency in the operation of public administration, but instead degenerated into an unworkable model of government.

He declared that it was essential to rationalize the State and to achieve a working operation which is more qualitative than quantitative. "It is not the size of the government intervention which is so alarming, but the degree of its inefficiency," he added.

Caicedo Ferrer maintained that in Colombia there is no developmental model which would provide an incentive for executive ability; and that the nation has become focused on immediacy, seeking short-term solutions, where plans are changed every 24 hours--in other words, that it is badly administered.

He stated that the planning organizations have been turned into political entities, where the decisions of the State are endorsed after the fact.

In this regard he pointed out that the recent documents drawn up by Planning are simple balance sheets, and they are not thinking about future plans which would she light on the course which the country ought to follow.

Camacol

The president of Camacol, for his part, believed that the State, which he called the foremost business in the country, is a catalog of deficiencies. He criticized the lack of ability of the public officials, who are motivated by the same overgrown cumbersomeness as the State. In this regard he cited ICT, Insfopal, ICBF and Icfes as clear examples of those deficiencies.

Echeverry Roiz declared that the politicians share a large degree of blame for that situation, and he remarked that private enterprise is affected by that inefficiency.

The president of Acoplasticos said, for his part, that in a nation of poets it is difficult to carry on industry and to be up to date in administration.

He criticized the lack of continuity in the State, and the poor public services which are provided in sectors such as the railroads and the ports.

He said that it is not possible to aim at achieving "excellent management" when they have not even identified solutions for the most minimal problems of a society like that of Colombia.

8131

CSO: 3348/487

17 May 1985

COLOMBIA

ECOPETROL HEAD, VICE MINISTER OF MINES, ALCALIS CHIEF NAMED

Bogota EL ESPECTADOR in Spanish 13 Mar 85 p 3

/Text/ Cali industrial engineer Alfredo Carvajal Sinisterra has been named the new president of the Colombian Petroleum Enterprise (ECOPETROL), replacing Dr Rodolfo Segovia Salas who recently was appointed minister of public works and transportation.

Dr Carvajal Sinisterra's appointment is contained in decree 746, of this date, signed by President Betancur and Mines and Energy Minister Ivan Duque Escobar.

A member of the Conservative Party, the new ECOPETROL president is an industrial engineer and administrator of enterprises, and is one of the senior peace commissioners. He has been mayor of Cali and director of that city's industrial and commercial free zone. He also has held other important public and private posts.

Vice Minister of Works /as published/

Attorney Gloria Duque de Robayo, of Caldas Department, has been named the new deputy minister of mines and energy, replacing attorney Margarita Mena de Quevedo, who in turn has been appointed secretary general of ECOPETROL.

Dr Duque de Robayo was appointed by decree 747, of this date, signed by President Belisario Betancur and by the mines and energy minister.

A native of Manizales, the new mines and energy deputy minister graduated as an attorney from the University of Santo Tomas de Aquino, and is a specialist in business law. She has completed studies on accounting for executives, criminal and financial law, and other specialties at the higher education level. She has been legal advisor for Colsemillas, Inversiones y Valores S.A., Cingra S.A., and Bank of Colombia (a First Boston branch).

Alcalis President

Hernan Diaz Castillo, a 36-year-old economist and native of Narino Department, yesterday was named the new president of Alcalis de Colombia. Prior to this appointment, he was holding a position in the vice presidency of ECOPETROL.

Diaz Castillo was for several years director of the coal briquets project, and also was director of COLGAS /presumably Colombian Gas Enterprise/.

He replaces Hugo Belalcazar who had resigned several months ago. Meanwhile, Emilio Echavarria had been acting president of Alcalis.

The new president is an economist from Javeriana University and still continues attached to that institution as professor at the school of economics.

The appointment was made by the Alcalis board of directors, which is chaired by Sergio Restrepo Londono, director of IFI /Industrial Development Institute/.

9925

CSO: 3348/486

COLOMBIA

BRIEFS

FOUR NEW GOVERNORS NAMED--The government yesterday named four new governors and postponed until next week the appointment of two others. Representative Hector Horacio Hernandez, a Pastranista /supporter of the Misael Pastrana faction of the Conservative Party /PC/ /, was named governor of Boyaca, replacing Alvarista /supporter of the Alvaro Gomez Hurtado faction of the PC/ Jorge Salcedo Segura. Hector Afanador Cabrera, a Pastranista, was named governor of Hila, replacing Antonio Jose Villegas, of the ruling Liberal Party /PL/. Luis Carlos Villegas, of the ruling PLG replaces Alvarista Ricardo Ilian Botero as governor of Risaralda. Roberto Samur Esguerra, a Pastranista, was named governor of Sucre, replacing fellow Pastranista Antoinio Carlos Amador. /Excerpt/ /Bogota EL TIEMPO in Spanish 9 Mar 85 p 1-A/ 9925

NORWEGIAN MINISTER DISCUSSES TRADE--Norwegian Foreign Minister Svern Stray has declared that the aim of his visit to Colombia is to seek even closer ties of friendship between the two countries and to promote industrial and commercial trade. The Norwegian foreign minister noted that practical results are expected from his visit. Regarding a possible coal purchase by Norway, he said excellent possibilities exist for such a project. But he said it should be kept in mind that the Norwegian market is quite small since that country has a population of only 4 million, and Colombia should depend on much bigger markets. Stray replied in the negative concerning Colombian coffee exports to Norway and a possible barter. There is a big trade imbalance between the two countries, with Colombia exporting more than what Norway sells, and "we cannot pretend that a trade balance exists between the two nations," he said. Regarding possible technical and financial cooperation for fishery development in Colombia, the Norwegian foreign minister said his country has a great potential in that field, having well-developed enterprises in various countries. /Excerpts/ /Bogota EL TIEMPO in Spanish 13 Mar 85 p 11-B/ 9925

COAL TO DOMINICAN REPUBLIC--The presidents of Colombia and the Dominican Republic, Belisario Betancur and Salvador Jorge Blanco, yesterday released a joint statement expressing concern over the effects of the international economic crisis on developing countries, especially as a result of adjustment programs "which in some cases cause disturbing effects on social peace." The two presidents announced in their statement that Colombia will sell to the Dominican Republic a total of \$40 million in coal over a 3-year period, which represents annual shipments of 300,000 tons of the mineral. /Excerpt/ /Bogota EL TIEMPO in Spanish 7 Mar 85 p 2-B/ 9925



CHOCO, CAQUETA GOVERNORS APPOINTED--The Minister of Government, Jaime Castro, today announced confirmation of the appointments of Conservative judge Jose Gil Cruz Becerra as governor of Caqueta, and of Liberal attorney Oscar Serna Alvarez as governor of Choco. This is taking place as a result of political rotation between the two departments, as had been announced by EL ESPECTADOR. Judge Jose Gil Cruz Becerra, who is associated with Alvarist Conservatism, is replacing the Liberal Officialist attorney Amparo Ossa Suarez as governor of Caqueta. The appointment of attorney Oscar Serna Alvarez had been postponed because of difficulties of a political and private nature, but it was finally confirmed yesterday by President Betancur and Minister of Government Jaime Castro. /Excerpt/ /Bogota EL ESPECTADOR in Spanish 13 Mar 85 p 10/ 8131

PUBLIC EXPENDITURES COMMISSION CREATED--The government has created a Commission on Public Expenditures, which will be in charge of advising the executive branch on the growth and allotment of this expenditure and on devising mechanisms to control its increase. Decree No 742, dated 12 March 1985, bearing the signatures of President Betancur and Finance Minister Roberto Junguito Bonnet, appointed the following persons as members of the consultative body: Luis Ignacio Betancur, Mauricio Carrizosa, Lauchlin Currie, Gilberto Gomez, Rudolf Hommes, Jose Antonio Ocampo, Francisco Ortega, Cesar Vallejo and Alvaro Velasquez. /Excerpt/ /Bogota EL TIEMPO in Spanish 13 mar 85 p 9-B/ 8131

CSO: 3348/487

COSTA RICA

# MNR DENOUNCES ACCUSATIONS OF ILLEGAL, MILITARY ACTIVITY

San Jose LIBERTAD in Spanish 22-28 Mar 85 p 3

[Text] Once again, anti-Costa Rican forces with close ties to the current U.S. administration have attacked our political movement, seeking to thwart our efforts to build a more sovereign, just and democratic Costa Rica.

These forces, using the repressive security organization they now have under their absolute control and some organs of the mass media, particularly the newspaper LA REPUBLICA and the Radio Columbia news program, have assaulted the New Republic Movement (MNR).

It is the same story as always, but now the aggression is more virulent, forceful and far-reaching.

First they tried to link us with the group known as "The Family."

Then they tried to tie us to a nonexistent, illusive movement of 4,000 armed men who were supposedly training in Neguey de Pococi.

Next they tried to link us with another group, also nonexistent and false, supposedly consisting of 150 men whose theater of operations was the province of Guanacaste.

In each and every one of these cases, the plans and campaigns have been defeated by the truth, and have been exposed for what they are: blatant manipulations. In the case of Neguey, in fact, the New Republic Movement requested through its deputy, Sergio Erick Ardon Ramirez, that the Legislative Assembly appoint a committee to investigate the charges.

The result of this investigation could only be a resounding confirmation that the accusations made to the press were entirely false, especially those made to the newspaper LA REPUBLICA.

In recent days, a sordid plan has been set in motion; although its point of departure is the New Republic Movement, its scope is much broader and more dangerous. The primary goal is to attack President Monge's policy of neutrality and peace and the democratic, patriotic, progressive and popular forces

that support that policy, inside or outside the government. This is a genuine, antidemocratic plot against the peace and neutrality doctrine.

The U.S. Embassy has managed to coopt the country's principal security agencies, thus creating a propitious environment for the development of such an antipatriotic plan.

These forces have sought to strengthen their positions in the country and in the government. This is the ulterior motive behind the story they have fabricated about "conspiracies and guerrillas" and efforts to destabilize the government of the republic. All this is aimed at creating a climate of opinion that would favor the reinforcement and development of security and counterinsurgency forces. Such forces would strictly adhere to U.S. policy in the region, and would thus seriously compromise the policy of neutrality. The 45 Costa Ricans who are now being trained by U.S. officers in Honduras are unwitting accomplices in this political game, as are the 400 men they now want to send to form a "Reaction Battalion."

The security forces' arbitrary arrests last week of many people, including some members of our organization, in addition to the efforts to link us to conspiracies and criminal acts, fall neatly within this plan.

The New Republic Movement vehemently denounces the true purposes of those who are conspiring against peace, neutrality and democracy, and emphatically rejects any link with illegal acts. Those who have perpetrated such lies will be taken to court in due time.

The New Republic Movement reaffirms to the Costa Rican people its profound patriotic spirit and its pledge, today stronger than ever, to struggle against those who would threaten our people's commitment to peace and neutrality.

For a more democratic, just and sovereign Costa Rica, now and forever!

Sergio Erick Ardon Ramirez, First Secretary  
Jose Fabio Araya Monge, Second Secretary  
Luis Fernando Astorga Gatjens, Third Secretary

New Republic Movement (MNR)

8926

CSO: 3248/330

COSTA RICA

NEW UNION EMERGES FROM THIRD CUT CONGRESS

San Jose LIBERTAD in Spanish 22-28 Mar 85 p 5-6

[Excerpts] The Third Congress of the unions and federations that make up the United Confederation of Workers (CUT) unanimously resolved to become the Constitutional Congress of the Confederation of Workers of Costa Rica (CTCR), in order to launch a new class-conscious, democratic, united union movement in the country, a movement capable of overcoming the errors and weaknesses that were so evident during the lifetime of the previous Confederation.

The open, comprehensive, critical and self-critical debates, and the excellent organization of the Congress were the predominant features of the gathering, which took place on 15, 16 and 17 March in San Jose. About 200 delegates were in attendance, representing unions and federations in the principal economic sectors of the country.

At the opening ceremony, which was held in the theater of the Castella Conservatory, CUT Secretary General Carlos Luis Chacon expressed the workers' concern for the serious repercussions the crisis is having on the people's living conditions and on national sovereignty. The labor leader denounced the pressure exerted by the International Monetary Fund (IMF) and by big business. These two elements have been able to impose a policy that runs counter to the interests of the people and the nation, he noted, and he called for government officials to behave with dignity and patriotism and to stop cooperating with the robbery of the people and the violation of national interests.

Chacon alerted the working class to the need to be in the vanguard in the struggle for peace, to confront the threats of U.S. military intervention and the attempts to drag our country into a fratricidal war with Nicaragua.

In another part of his speech, he stated that sectarian, antidemocratic and bureaucratic practices had led to an internal crisis in the CUT. He blamed a group of leaders for allowing their desire to control the organization to hinder attempts to restore unity based on a just labor policy and respect for union democracy. He stressed that the new Confederation will be designed to build ties of unity with all factions of the labor movement, the only condition being a commitment to struggle for the defense of workers and of the country.

This atmosphere of unity was reflected in the presence of representatives of the Authentic Confederation of Democratic Workers, the Costa Rican Confederation of Democratic Workers, the Confederation of Costa Rican Workers, the Union of Costa Rican Educators, and other labor organizations, on the stage at the Congress. The presence of delegates from the World Federation of Trade Unions (WFTU), the Permanent Congress for Latin American Workers Trade Union Unity (CPUSTAL), and representatives of Guatemalan, Haitian and Chilean workers, was also hailed by the Congress as an indication of the internationalist and unified spirit that inspires the new Confederation. Many other labor and cultural leaders from this country were present at the opening ceremony of the Congress.

It was noted at the Congress that the CTCR is a class-conscious, unified, democratic, pluralist and independent confederation that is committed to the struggle. The Congress resolved that the Confederation's struggle is basically oriented toward the defense of the workers' living conditions and to the establishment of a just society where the disgraces of poverty, exploitation and any kind of political, economic, social or cultural oppression no longer exist. To achieve these goals, the Congress noted the need to unite the labor movement and the working class around a program of demands for change so that the essential interests of the masses can be served.

The Congress came out in favor of promoting the organization, unification and mobilization of workers in defense of wages and jobs, for adequate housing, health, education, food and culture for the people. The antipopular and antinational policies of the government and international financial institutions such as the IMF were harshly criticized for strangling the country's economy and severely damaging the living conditions of the lower classes. The Congress agreed to exert pressure on the government to declare a moratorium on the payment of the foreign debt, and to devote all its resources to our people's struggle in the defense of peace, effective neutrality, sovereignty and democracy. The Congress instructed the National Board to make every effort to support and develop the Popular Organizations Patriotic Coordinating Committee's program of struggle and unity.

An important part of the deliberations at the Congress dealt with the situation in Central America, Latin America and the world. The Congress resolved that the CTCR would mobilize its efforts to support peace in Central America and nations' right to self-determination. It also resolved to combat imperialist intervention by the United States in the region. A declaration of support for the efforts of the Contadora Group was approved, and it included support for the patriotic and just struggles of the workers and peoples of Nicaragua and El Salvador, who are facing the unjust and criminal aggression of the imperialist, counterrevolutionary forces.

The Congress hailed the workers and people of Cuba for their success in building a new society, as well as the democratic victories of the workers of Uruguay, Argentina, Brazil and other American countries. The Congress also expressed its firm solidarity with the struggle of the workers and people of Chile against Pinochet's fascist dictatorship.

The CTCR is considered to be an integral part of the great worldwide movement to defend peace, combat the arms race, and work for peaceful coexistence, a new international economic order, and a peaceful, just, egalitarian international society free of any kind of oppression or discrimination.

8926

CSO: 3248/330

CUBA

## SUGAR HARVEST BELOW PROJECTIONS DUE TO HIGH LOSS, FOREIGN MATTER

Havana BOHEMIA in Spanish No 6, 8 Feb 85 pp 44-45

[Excerpts] We must strive to assure that the mill gets the sugarcane being lost in the canefields and that the foreign matter being sent to the mills will stay in the canefields. With these remarks, Luis Martell Rosa, secretary general of the National Trade Union of Sugar Industry Workers (SNTA) summarized one of the basic objectives that the trade union members have set for themselves for this harvest. It was because of the high harvesting losses and the foreign matter introduced into the mill, that thousands upon thousands of tons of sugar were not produced or were lost during the last harvest.

"The sugar harvest is beginning with positive indicators," the trade union leader pointed out, "the sugarcane pol, the purity and the yield are above the forecast figures. The agricultural part, the field harvesting itself, however, is not positive in all respects because we are still losing sugarcane in the fields and bringing foreign matter to the mills above planned levels. For example, in the latest 10-day period, losses should have been in the range of two percent in manual cutting, yet losses are approximately a whole number above that figure. In mechanized cutting, however, losses should be 5 percent but yet we are getting 6.94 percent. There are provinces in which stipulated losses are being doubled or tripled in mechanized cutting, as in the case of Camaguey and Granma provinces. Havana is losing 10 percent in mechanized cutting and Camaguey is losing 9.10 percent. Meanwhile, to give just one example, Villa Clara is below the allowable loss standard.

Referring to the industrial side, the trade union leader pointed out that the industrial efficiency indicators are registering declines. Let it suffice to point out that "up to 25 January, the country had lost a total of 26,120 tons of sugar because of the failure to attain industrial standards. It is significant that 21,653 tons of the sugar that we are losing is in the final molasses phase, in other words, 83 percent of the losses is attributed to deficient work in the boilerhouse area. Granma and Guantanamo provinces are, so far, the only provinces that are fulfilling the sugar yield standards and, consequently, are obtaining base 96 yields above those planned. Meanwhile, Camaguey, Las Tunas, Ciego de Avila, Holguin, Matanzas, Sancti Spiritus and Cienfuegos provinces are continuing to register deficient work in the final molasses phase.

The trade union secretary went on to mention the sugar mills that have lost the most sugar in the industrial process (See Table 1) by accumulating 55 percent of the losses registered throughout the country, which amounts to 13, 580 tons. Based on these figures, the reporter made the following calculation: considering an average loss of 1,432 tons--the Brasil mill has more than doubled that figure--and taking into account an average 150-day harvest, and supposing the mills as a whole had completed one-third of the harvest, that is, with 100 days of harvest still to go, then, if this situation were to continue to the end of the harvest, considering only these 10 mills, we would stand to lose some 30,000 tons of sugar. Although this is just a rough calculation of an estimated average, it should give us an idea of the importance of living up to the planned efficiency indicators.

"The purity /index/ for the final molasses phase," he stressed, is already above the allowable limits, which is a completely unjustifiable situation because high-grade sugarcane is being milled and this sugar should not be lost during the industrial process. A total of 1,145 tons of sugar was lost in the bagasse during the period under discussion, although, generally speaking, the milling process is better than the work being done in the boilerhouse.

Addressing the problem of fuel, Martel Rosa pointed out with justifiable pride, that consumption is being kept at zero in raw sugar production, "although there is deficient work in the refining and in the direct white sugar processing. The same situation holds true in the fuel and lubricant consumption in harvesting operations, such as loading and hauling of the sugarcane. We still do not have strict control over consumption with regard to what is produced. Last year, more than 52,000 tons of diesel fuel were used."

"When the country was consuming 149 million gallons of petroleum in the production of raw sugar," Martell said, "we decided to mount a campaign that has been crowned with complete success. Before this we would watch uneasily to see if sugar mill smokestacks were releasing black smoke which meant the loss of millions of gallons of fuel. Today, however, while not consuming fuel in raw sugar production, it is necessary to focus our attention on the field work, the furrow, the railways, in short, on all those places in which we might lose 1 gallon of petroleum more than is strictly necessary for harvesting and hauling the sugarcane. Obviously, trucks cannot be fueled with bagasse, but we realize that with the active participation of all the sugar, farm and industrial workers, we shall also wage on those fronts, the successful economic war of the people that Fidel has called on us to wage."



Table 1. Sugar Mills Losing the Most Sugar in the Industrial Process

| <u>Sugar Mills</u> | <u>Lost Sugar in Metric Tons</u> |
|--------------------|----------------------------------|
| Brasil             | 2,930                            |
| Peru               | 2,743                            |
| Antonio Guiteras   | 2,087                            |
| Argelia Libre      | 1,163                            |
| Sergio Gonzalez    | 975                              |
| Jesus Suarez Gayol | 968                              |
| Candido Gonzalez   | 965                              |
| Urbano Noris       | 876                              |
| Melanio Hernandez  | 873                              |
|                    | <u>13,580</u>                    |

Table 2. Mechanized Cutting (Fuel-Oil Consumption)

| <u>Provinces</u> | <u>Arrobas of Sugarcane Cut per Gallon of Consumption</u> |
|------------------|---|
| Pinar del Rio    | 281   |
| Matanzas         | 389   |
| Villa Clara      | 265   |
| Cienfuegos       | 244   |
| Sancti Spiritus  | 239   |
| Ciego de Avila   | 261   |
| Camaguey         | 198   |
| Las Tunas        | 206   |
| Holguin          | 263   |
| Granma           | 228   |
| Santiago de Cuba | 180   |
| Guantanamo       | Did not report  |
| National         | 249   |

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CUBA

## NEED FOR INCREASED, HIGHER QUALITY EXPORTS EXPLAINED

Havana BOHEMIA in Spanish No 6, 8 Feb 85 p 48

/Article by Alberto Pozo: "What is Behind Exports?"

/Text/ Why are exports an essential bulwark of the economic war of all the people?

Every country needs to sell to obtain the resources that will enable it to increase the investments necessary to its economic and social development, besides expanding its domestic market.

We need to increase exports in the hard currency area, thereby acquiring the currency needed for our investments in this field. While it is true that we have reduced our total imports by 12 to 13 percent, it may be necessary to increase this figure to 20 percent so that we will not deprive ourselves of what is indispensable to further progress.

It is indispensable because to the degree that we export, we will, to a certain extent, have to import as a logical counterpart. This is also because the capitalists are at the forefront of technology in certain product lines, or simply because the socialist area still does not produce for export.

Viewed from a different angle, we need to increase our exports to the capitalist area to enable us to pay on our foreign debt, which has risen to \$300 per capita, a minimal figure relative to that of other countries.

This debt was incurred because we needed to buy technology considered essential for development. Examples are the glass container plant in Las Tunas and the thermoelectric powerplant under construction in Matanzas. Another factor which contributed to the foreign debt was the purchase of equipment such as Hino, Nissan or Mercedes trucks, because our automotive vehicle needs cannot be met in the socialist area, and our own Taino production is still very limited.

Can we increase our exports? We venture to say that our possibilities are limited less by demand than by our capacity to supply. In other words, there is room to move ahead and we are doing it, but the scope of possibilities is broader than is being exploited by us. To sum up, the problem lies in upgrading our efficiency in fulfilling transactions, our capacity to meet the supply

requirement and its circumstances and, of course, in our obligation to sell products of superior quality and of competitive caliber.

Having made this introduction, it is well to underscore that exports to not mean, cannot mean that a limitation will be imposed on the domestic market. One of the premises of the economic war of all the people is that it shall not affect either the standard of living, production or the level of services attained.

This is also the time to reiterate that if for any reason, as can happen in any country, at a particular moment, owing to unforeseen circumstances, it becomes unavoidable to restrict production or services, then this will be fully explained to all the people in keeping with the precepts of the Revolution, so that the people, as always will adopt the measure as their own and consciously give it their support. However, only unforeseen circumstances can produce this action and it will not be a consequence or pursuant to the guidelines of the economic war of all the people.

Exports should be a development source and stemming from them, production should be initiated, maintained or increased. Specific examples are the famous "Capricho" and Fantasia sandals produced in Cuba from raw materials originating in Italy (hard currency area), which then become available to the public precisely because our exports of this footwear pay for the cost of producing it in the domestic market. Another example, the briefcases made in Cuba have eliminated the drain on foreign exchange in this case; instead they are becoming a source of income. What is more, part of these resources are allocated to the expansion of other product lines, such as handbags and belts, through the import of raw materials and metal hardware, for the domestic market. Something else: Why have we invested foreign exchange to buy luggage for travel abroad? Because it is not produced in Cuba. We are losing some \$80,000 a year. But now luggage is going to be manufactured here and it will be of equal or better quality (the key to success!). Besides, we are not only going to save dollars, but we are certainly going to sell it abroad later and generate new income.

That is the spirit that rules when exports are increased.

Finally, the journalist ventures to make this appeal: Our sales in INTUR /National Institute of Tourism/ and other hard currency stores amount to 34 million pesos, yet only eight percent of the products sold are made in Cuba. Why? A Good part of the products sold in those stores could be Cuban-made and they are of equal or better quality. Examples are shirts, hosiery, trousers, skirts, pullovers, blouses, perfume, cosmetics...and when it comes to food products, our national industry makes hundreds of products whose quality is as high as that of the best. Behind this supply deficit there is a general problem which is a lack of coordination and an absence of economic vision, inasmuch as these stores sell at retail prices which bring four times higher profits than those obtained abroad at wholesale prices with all their operating costs. Once and for all let's be socialist businessmen!

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CUBA

## ROLE OF INSPECTOR GENERAL IN ENFORCING SOCIALIST LEGISLATION

Havana BOHEMIA in Spanish No 48, 30 Nov 84 pp 40-43

[Article by Reinaldo Penalver Moral]

[Text] The photos that illustrate this article reflect the deplorable state in which the Havana Livestock Fattening Enterprise's District No 1 Fast Fattening Pen was found last February when, in accordance with the provisions of Paragraph 13 of Article 106 of Law No 4 of 1977 governing the organization of the judicial system, the Inspector General's Office ordered a complete inspection to be conducted in this case it was responsible for with regard to compliance with the following laws: 1321/76 governing physical safety; 13/77, work safety and hygiene; 1268/73, fire prevention; 1288/75, recovery of raw materials; and other provisions. The Fast Fattening Pen, the country's largest--with approximately 25,000 head--is located 77.5 km out on the main highway in the town of Artemisa.

Speaking on the occasion of the proclamation of the Constitution of the republic, Army General Raul Castro, the second secretary of the Cuban Communist Party Central Committee and minister of the Revolutionary Armed Forces, said among other things that the Constitution, the laws and the other legal regulations that are enacted must not be regarded as advice, nor as requests, but as orders of the state since they express the will of all the workers and the entire nation. "Strict compliance with the Constitution and our laws as a duty from which no one is excused is the will of the people expressed when they voted for Article 65 of our Constitution." And lastly he emphasized:

**"Socialist laws require constant vigilance and supervision of the party and the mass organizations' compliance with them, they require that the laws be interpreted and applied equally everywhere and at all times, they require that, whenever violations of the law occur, responsibility for them be exacted and the guilty parties punished."**

### Socialist Law

It is a secret to no one that the Constitution and socialist laws are the ultimate legal expression of the socialist means of production and of the interests and wishes of the working people and, therefore, it is the duty of all government agencies, their managers, officials, employees and citizens in general to strictly observe socialist laws and be vigilant out of respect for them in all of the society's activities.

To guarantee what is expressed in them there is the Inspector General's Office inspection/ [printed in italics], which is a typical function of the socialist Inspector General's Office in the activities of the agencies of the state administration and the government, social organizations and officials.

Its basic importance stems from the reality of state, social and economic socialist structure, from the state's participation in all areas in developing the edification of socialism, from the need for establishing a strict legal system to erect the new society and, consequently, the defense of workers' rights and interests.

#### Role of the Inspector General's Office

For these purposes the Constitution of the Republic of Cuba in Article 130 confers on the Inspector General's Office the important and vital function of control of legality on the basis of strict compliance with the law and other legal provisions by state agencies, economic and social organizations and by the citizens in general.

For us to clearly understand the role of control over the observance of and compliance with socialist laws, we must understand the purposes of the new socialist system of law that governs our country, one which was created by the revolution in replacement of the old bourgeois legal system, which constituted a real obstacle to the gradual development of the means of production and the constant evolution of our production forces, the state institutions and the economic basis of the state.

In short, in exercising control over observance of the law, Inspector General's Office agents are obliged to at the proper time adopt those measures necessary to eliminate any violation of the laws, availing themselves to do so of established approaches and legal procedures in effect, therefore acting to reestablish the dominion of the laws that have been violated and restore injured rights, exacting compliance with the legal norms that are in effect and responsibility on the part of those who violate the provisions of the law.

In conformity with the provisions of the law governing organization of the judicial system and the purposes of the functions entrusted to the Attorney General's Office by the Constitution, Attorney General's Office agencies are organized vertically throughout the nation, subordinated only to the Attorney General's Office, independently of any local agency.

The Attorney General's Office in turn constitutes an organic unit, subordinated exclusively to the National Assembly and the Council of State, from which it receives general orientations and to which it reports its actions.

The precedent and foundation for the unique subordination of the Attorney General's Office to the highest level of government is precisely the thesis expounded by the founder and leader of the first state of workers and farmers in the world, the brilliant organizer of the October Revolution, Vladimir Ilyich Lenin, on double subordination, in which he maintained and demonstrated that

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\*Attorney General's Office should read Inspector General's Office throughout rest of article.

the latter applied to the attorney general's office was a serious obstacle to the fundamental task of controlling observance of the law and must therefore be excluded in order to guarantee the exercise of its functions without interference from or subordination to local government agencies.

There can be no doubt that it would be interesting to continue to explore the topic of general control of observance of the law, but it is no less certain that it is big enough and complex enough since there are various ways of effecting said control. In this article we will only discuss inspection because it is one of the most important activities conducted for the reasons indicated, the participation of the masses in the tasks of general supervision through previously selected activists.

#### What Is Inspection?

We may define inspection as all the activities aimed at protecting the public interest which the Attorney General's Office organizes, executes and plans for the purpose of verifying observance of the law and other provisions in effect by directors and officials in the performance of their duties as well as by citizens in general as concerns the provisions for the supervision of compliance with the law, entrusted to the Attorney General's Office of the republic by our Constitution.

Article 106 of Law No 4 of 1977, the law governing organization of the judicial system, confers on the Attorney General's Office many powers to perform its task of general supervision of compliance with the law; specifically Paragraph 13 of Article 106 in question confers on it the right to conduct inspections of government agencies, enterprises and other subdivisions of same to verify compliance with the law, officially or when it receives information or reports about alleged violations of the law.

It is worth noting that, notwithstanding the fact that the law has authorized Attorney General's Office action of this sort since 1977, it was not until 1980 that the job of inspection in organized fashion was begun in compliance with established guidelines and objectives well-defined by the Attorney General's Office in view of the reminders made at our party's eighth plenum and the National Assembly's proposals with regard to an intensification of Attorney General's Office control operations.

Those specialists and experts who may be necessary in each case participate in inspections along with Attorney General's Office agents, a procedure that is guaranteed due to the powers conferred on the Attorney General's Office by the law, which requires authorities and officials to make use of any kind of aid they may need to exercise their functions, as well as one or more representatives for the administration of the state agency in which [the inspection] is being conducted.

It is worth repeating that Attorney General's Office action is chiefly based on compliance with the laws, executive decrees, regulations, resolutions and other provisions in effect and on information about shortcomings in production,

the services and in the progress of other activities, as well as about the condition and use made of the facilities and equipment, property and installations operated by, assigned to or belonging to state agencies.

The conduct of any inspection begins with a meeting at which primarily the director or administrator, or a substitute in his stead, a delegation from the union local and the inspecting agents must be present. For as long as the inspection lasts, accommodations for their stay must be guaranteed at the agency or institution for those directors, officials and workers whose presence it is anticipated will be required.

Moreover, the state institution at which the inspection is conducted must provide the necessary conditions for conducting it, supplying the documentation and information that may be needed and appointing its representative to participate for the time required for the inspection, who in addition must be authorized to sign papers or other documents that may be produced.

Once a report on the results of the inspection is drawn up, it is made public at a conclusive meeting that is coordinated with the management of the institution that has been inspected and the officials who have decided on the case. The institution's political and mass organizations and the specialists who have participated in the inspection may be invited to attend this meeting. If the officials are violators, they will be heard. The Attorney General's Office draws its conclusions.

On the basis of the violations and shortcomings indicated in the statement of the facts assembled in the report and the recommendations the Attorney General's Office issues, the institution that has been audited must draw up a plan of steps to be taken to eliminate them and deliver it to the Attorney General's Office within 20 days in compliance with the obligation decreed in Paragraph 2 of the above-mentioned Article 106 of the law governing organization of the judicial system.

The plan of steps to be taken constitutes the response to the Attorney General's Office decision and, furthermore, the audited institution must periodically report to the Attorney General's Office on its execution of said plan in accordance with what has been scheduled in it.

Moreover, the Attorney General's Office schedules a new inspection at the institution for the purpose of checking to see that the violations and shortcomings that were uncovered and have been reported as being eliminated have been eliminated, as well as to obtain a detailed account of the execution of the remaining steps.

Because of the results it has been getting in this activity of inspection and detection of violations that damage the validity of the provisions of our laws and other requirements in effect and because of acts that are criminal in nature: embezzlements, frauds, thefts, robberies, etc., we may be sure that this activity of the Attorney General's Office is one of the most important and effective ones its agents engage in in their exercise of control of compliance with the law.

"Practical experience has taught us," Dr Ramiro Ayala, the head of the Directorate for Control of Legality of the Attorney General's Office, told us in connection with this, "that the biggest problems occur -- and more frequently -- in those enterprises and organizations whose managers violate the laws and provisions that apply to the activities they direct and those that govern their affairs."

And by way of conclusion he added:

"Socialist compliance with the law is indissolubly linked with state discipline and the effectiveness of the economic management of the enterprises and agencies of the state. Consequently," he pointed out, "the control exercised by the Attorney General's Office through inspections has positive repercussions on the evolution of our new society."

[photo captions]

Inspections among other things serve to expose violations like these in which the most elementary sanitary measures "are conspicuous by their absence." The photo cannot be more eloquent. This yearling calf is trying to float to keep from perishing drowned in a sea of... dung!

Dung "has paved" this drainage canal due to lack of sanitation.

Open-air "crematorium" for the approval of scurvy turkey buzzards.

BOHEMIA reporter present at an inspection in which Attorney General's Office agents from the province and the town as well as specialists from several branches of industry are participating. In the center of the photo is the manager of the Havana Livestock Fattening Enterprise.

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GUATEMALA

CONCLUSIONS FROM NATIONAL SURVEY ANNOUNCED

Worst Problem: Unemployment

Guatemala City EL GRAFICO in Spanish 18 Feb 85 p 5

[Text] Guatemala City, 17 February 1985--Unemployment is the most serious problem that currently affects Guatemala. Next are the high cost of living in second place, and violence in third.

The foregoing is the conclusion of the "Guatemala Responds" national survey undertaken by the Free Enterprise Chamber and the Guatemalan Development Foundation through the Aragon & Associates firm, the results of which were made public last Friday during an act held at the Camino Real Hotel.

Engineer Jaime Arimany, chairman of the Free Enterprise Chamber, explained that the survey was carried out throughout the country, except for El Peten and El Quiche, in October.

For his part, Alberto de Aragon, president of Aragon & Associates, gave a detailed account of the conclusions reached during the investigation, as follows:

-The major problems of the country

1. Some 30 percent of the interviewees believe that the most serious problem of Guatemala is unemployment.
2. Some 29 percent believe that it is the high cost of living.
3. Some 23 percent believe that it is violence.
4. Some 5 percent believe that it is the guerrillas.
5. Some 3 percent believe that it is politics.
6. Some 2 percent believe that it is the scarcity of goods, urban terrorism, dishonesty, or the lack of production.
7. Some 1 percent said that it is communism.

-The first problem that the president will have to solve

1. Some 32 percent believe that the first problem the next president will have to solve is unemployment.
2. Some 21 percent believe that the future head of state must control the high cost of living.

3. Some 17 percent believe that the next president must control crime and violence.
4. Some 9 percent ask for help for the needy.
5. Some 7 percent ask for an end to the abuses of authority.
6. Some 4 percent ask for an end to robbery and protection against the guerrillas.
7. Some 3 percent ask for good relations with the United States and the army.

-Economic situation that the next president will face

1. Some 38 percent of the interviewees believe that the economic situation the future president will face will be worse than at present.
2. Some 26 percent believe that it will be better than at present.
3. Some 26 percent believe that it will be the same as at present.
4. Some 9 percent did not respond.

-Job status

1. Some 32 percent of the interviewees have full-time jobs.
  2. Some 25 percent are out of work.
  3. Others are part-time workers, occasional workers, unemployed, housewives and students.
- There is more unemployment in the capital than in the countryside.

-Family monthly income

1. The study, as Alberto de Aragon reported, concluded that the quality of life of the Guatemalan family has deteriorated in view of the drop in their monthly income.
- Among the interviewees. 16 percent have a monthly income of between 50 and 100 quetzals, while only 4 percent earn between 600 and 1,000 quetzals.

-How were the constituent assembly elections?

1. Some 78 percent believe that they were honest.
2. Some 14 percent believe that they were not honest.
3. Some 8 percent do not know (no opinion).

-How will the presidential elections be?

1. Some 67 percent believe that they will be honest.
2. Some 9 percent believe that they will not be honest.
3. Some 23 percent do not know.
4. Some 1 percent do not respond.

-Did you vote in the last elections?

1. Some 83 percent said that they voted in the last elections.
2. Some 17 percent said that they did not.

-Will you vote in the next elections?

1. Some 96 percent said that they will vote in the next elections.
2. Some 3 percent said that they will not.
3. Some 1 percent did not know.

-Reason for so many null votes?

1. Some 52 percent said that they knew not how to vote.
2. Some 29 percent said that it was a protest.
3. Some 15 percent said that it was negligence.
4. Some 2 percent gave all three reasons.
5. Some 1 percent did not know.

#### Profile of Ideal President

Guatemala City EL GRAFICO in Spanish 17 Feb 85 p 5

[Text] Guatemala City, 16 February 1985--Guatemalans want the next constitutional president of the republic to be a new politician from the center, a stern and mature civilian.

That is evinced by the "Guatemala Responds" national survey undertaken by the Free Enterprise Chamber and the Guatemalan Development Foundation through the specialized firm of Aragon & Associates.

The result of the sampling was announced last Friday by the chairman of the Free Enterprise Chamber, Jaime Arimany, during an act held at the Camino Real Hotel.

Alberto de Aragon, president of Aragon & Associates, also gave an audiovisual account of the undertaking.

The whole study was delivered to presidential candidates Jorge Carpio Nicolle, of the National Center Union; Vinicio Cerezo, of Christian Democracy; Mario Sandoval Alarcon, of the National Liberation Movement; and Lionel Sisniega Otero, of the Anticommunist Unification Party.

Also present at the act were National Constituent Assembly Deputy Presidents Roberto Carpio and Dr Hector Aragon Quinones, State Secretaries Manuel Giron T Sanchez and Ramon Zelada Carrillo, San Carlos University and Francisco Marroquin University Rectors Dr Eduardo Meyer and Dr Manuel Ayau, as well as leaders of the various political parties, managers and newsmen.

#### A New or a Traditional Politician?

Alberto de Aragon, president of Aragon & Associates, reported that the survey conducted throughout the country, except for El Peten and El Quiche, last October, asked the interviewees: Should the next president be a new or a traditional politician?

The answers were as follows:

1. Some 75 percent want the new president to be a new politician.
2. Some 22 percent want him to be a traditional politician.
3. Some 3 percent do not know (no opinion).

#### From the Left, Center or Right?

The sampling asked the interviewees if they want the future chief executive to be from the left, the center or the right.

The result was:

1. Some 46 percent want the new president to be from the center.
2. Some 33 percent want him to be from the right.
3. Some 7 percent want him to be from the left.
4. Some 14 percent do not know.

#### A Civilian or a Military President?

The survey asked the interviewees if they wished the next president to be a civilian or a military man, and the answers were as follows:

1. Some 74 percent want a civilian president.
2. Some 22 percent want a military president.
3. Some 4 percent do not know.

#### A Strong or a Moderate President?

The interviewers asked if the Guatemalans want a strong or a moderate president.

The tally came up with the following results:

1. Some 50 percent want a strong president.
2. Some 49 percent want a moderate president.
3. Some 1 percent do not know.

#### A Mature or a Young President?

The interviewees were asked if they wished the next president to be a young or a mature man, and the response was as follows:

1. Some 65 percent want a mature president.
2. Some 31 percent want a young president.
3. Some 4 percent do not know.

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17 May 1985

GUYANA

## PPP, WPA COOPERATE TO PROMOTE NATIONAL UNITY GOVERNMENT

FL032236 Bridgetown CANA in English 2130 GMT 3 Apr 85

[By Rickey Singh]

[Excerpts] Georgetown, 3 Apr (CANA)--Two of Guyana's opposition parties, alarmed by the country's severe and prolonged economic problems, are promoting the idea of a national unity government.

The People's Progressive Party (PPP) and the Working People's Alliance (WPA), which is not represented in Parliament, have spoken of the need to democratise the election machinery for national and local government elections, thereby removing what they consider to be institutionalised control of the electoral process by the ruling People's National Congress (PNC) of President Forbes Burnham.

But both parties say they also accept that the country's problems, some 19 years after independence under PNC rule, are so grave that single-party government may no longer be a solution. Instead, they feel that a new government must be so structured as to ensure the broadest possible consensus.

Until now, the PNC has rejected all suggestions for a national front government. Only recently it has formally approached the PPP for dialogue on fruitful cooperation.

Elections for a 53-member Parliament and an executive president--Burnham is the first holder of this office--are constitutionally due no later than March 1986.

The Guyana economy has been buffeted by heavy debt and an acute shortage of foreign exchange. Debt service charges were projected to average about 40 per cent of export earnings last year.

The government has moved increasingly to barter in its trade relations, while the local dollar has undergone multiple devaluations in the last 16 months and is now worth 23 U.S. cents.

Shortages of basic food items abound as the government has banned a host of imported goods to save hard currency. It has also been unable to reach agreement with the International Monetary Fund (IMF) for \$US150 million in much needed balance of payments support.

The administration has, however, seen some light in the two percent growth the economy recorded last year, the first in four years, and the improvement in the performance of the key bauxite sector.

Dr Cheddi Jagan's PPP and the WPA, both Marxist, have their own political differences. But they are both campaigning for free and fair elections as the basis for any lasting political solution to the country's deep socio-economic crisis.

With Jagan as its first premier, the PPP led Guyana into internal self-rule in 1961.

The PPP, which has been officially invited by the PNC for unity talks at leadership level, designed to promote fruitful cooperation in the interest of national development, security, and socialist construction, has formulated a set of proposals for consultation with the Guyana Trades Union Congress (TUC) prior to any formal meeting with the ruling party.

In support of its contention that the Guyanese revolution must be democratic, the PPP's list of suggestion, as recently disclosed to the TUC--the umbrella body grouping all of the country's registered trade unions--feels that whichever party wins a free and fairly-conducted election should not oppose the candidature for the presidency from the other major party.

What this means in effect is that if, for instance, the ruling PNC which, like the PPP, claims to be in favour of socialist transformation of the Guyanese society, should win the next general election, then the other major party, currently the PPP, should not have its presidential candidate opposed by the PNC.

The president shall have the right of veto, but the Parliament will have the right to override this veto by a two-thirds majority vote, after which the relevant measure would automatically become law.

But even as leading executives of both the PNC and the PPP continue to make efforts for official dialogue between these two mass-based parties, the WPA--the party that is generally viewed here as the only serious alternative to the PNC and PPP--has been speaking of its own concept for a new government.

In a just-released pamphlet, entitled "An Appeal From Guyana (Redemption, Reconstruction, and Rebirth)," the WPA, which is strongly pro-Caribbean in its policy objectives and wary of superpower rivalry in the region, said that in an election year, it realises how important it is for the party to say to the Guyanese people what its plans are.

Reconciliation does not mean the end of party rivalry, said the WPA in its pamphlet now being distributed by regional governments and organisations, as well as the media. It means that the basic issue which has divided Guyana for the past 16 years--free and fair elections--and has played a part in the national crisis at least as great as the part played by any other external factor, must be faced and settled.

The party then declared that there should be an honourable understanding that any political party which wins an overall majority, will, in spite of this and because of the total crisis, seek to create a national government based on the votes of the people and not seek to run the country itself.

The party chosen to run the government should at once consult with the nation about the drafting of a patriotic pact or understanding for the reconciliation of the Guyanese nation within a Caribbean framework....

Both the PPP and WPA have been seeking to have regular consultations with the TUC, especially since the labour movement freed itself of PNC control of its executive at its September 1984 delegates conference. The TUC is on record as favouring free and fair elections and for a political solution to the country's economic and political crises.

CSO: 3298/561

GUYANA

# GOVERNMENT GIVES FINAL 'NO' TO OUTSIDE ELECTION MONITORING

FL042354 Bridgetown CANA in English 2230 GMT 4 Apr 85

[Text] Georgetown, 4 Apr (CANA)--The Guyana Government, declaring that it will not tolerate foreign interference in the country's domestic affairs, has said a final no to plans by three international human rights groups to send a mission here to probe the controversial electoral system.

Foreign Minister Rashleigh Jackson spelled out the government's position in a letter to Niall MacDermot, secretary-general of the International Commission of Jurists (ICJ), one of the three organisations in question. The other two were America's Watch and the British Parliamentary Group for Human Rights.

Amid persistent charges of election rigging by the government, a number of local interest groups, including the church, had asked the organisations to come here and have a look at the electoral system as Guyanese prepare for a national poll, constitutionally due early next year.

In what was his second letter on the issue to MacDermot in five weeks, Jackson said MacDermot had expressly recognised that the legislation and procedures governing national elections are matters entirely for the Guyana Government and Parliament to decide. The text of the letter was released here today.

The ICJ official, not having presented any matters showing any violation by the Guyana Government of any of its international obligations, was naturally understood not to be raising matters falling outside of the domestic jurisdiction of the Guyana Government said Jackson.

Elections are due here by March next year, and opposition groups have launched a campaign for free and fair elections, amid charges that the People's National Congress (PNC) has held on to power through ballot rigging.

Jackson said even if there were allegations of violations by the Guyana Government of any of its international obligations, that did not give overseas groups the right to decide to send a mission here to investigate any such allegation without prior reference to my government.



He said it was evident from MacDermot's letter that the three organisations had made a definitive decision on the terms of reference, the members of the mission, and the dates of their visit to Guyana, and had merely hoped that the Guyana Government would cooperate and assist their mission in carrying out what appeared to be pre-ordained functions by pre-ordained personnel within pre-ordained dates.

As far as he was concerned, Jackson said, correspondence on the issue was closed.

CSO: 3298/561

GUYANA

## GOVERNMENT, CHURCH ELEMENTS CONTINUE AT LOGGERHEADS

### PNC Accusation

FL281918 Bridgetown CANA in English 1545 GMT 28 Mar 85

[Text] Georgetown, 28 Mar (CANA)--Guyana's ruling People's National Congress (PNC), in its party organ, NEW NATION, has accused local church elements of joining with what it called forces of reaction to create strife in this economically beleaguered South American republic.

In an editorial captioned "The Agents of Imperialism Are at Work" the weekly tabloid [said] in Nicaragua it is the hierarchy of the Catholic Church which makes common cause with the contras (the anti-government forces said to be receiving support from the United States)....

In Guyana it is a small group in the Guyana Council of Churches who neither represents the majority opinion of the individual congregations nor the total Christian community, which seeks to align the church with the forces of reaction both within and outside the country, in an effort to thwart the struggle being waged by the Guyanese people to be the final arbiters of their own destiny.

The NEW NATION said the latest ploy was to attempt to railroad the annual general meeting of the Guyana Council of Churches (GCC) into agreeing to a programme of open opposition to the Government of Guyana and the party which forms that government....

To justify their actions, these churchmen claim that unemployment, deterioration of public utilities, rampant inflation, and the failure of large-scale agriculture are all attributable to the programme of nationalisation undertaken by the government, the paper said. To say that large-scale agriculture had failed was a downright falsehood, the paper said.

For the wicked conniving wolves in sheep's clothing to blame nationalisation (of all major economic sectors) for the nation's ills is for them to align themselves with those forces who want to return Guyana to continue the rape of this country.

The behaviour of this band of churchmen can only lead to the conclusion that they are agents of imperialism, the paper declared.

### CCC Appeal to Burnham

FL282138 Bridgetown CANA in English 1620 GMT 28 Mar 85

[Text] Bridgetown, 27 Mar (CANA)--The Barbados-based Caribbean Conference of Churches (CCC) has cabled Guyana's President Forbes Burnham, condemning the disruption of the annual general meeting of the Guyana Council of Churches (GCC) by government supporters. The CCC considers this action to be totally unacceptable in a Caribbean state and condemns it without reservation, the cable said.

The CCC calls upon the Guyana Government to respect and protect the right of churches to freedom of assembly in pursuit of the tasks to which they are called, and reaffirms its solidarity with member churches in Guyana.

The GCC meeting, scheduled for 12 March, had to be abandoned after delegates, including Anglican Bishop Randolph George, were prevented from entering the conference hall by persons reported to be senior officials of the Ministry of National Development and members of the House of Israel religious sect.

The House of Israel is often accused of using strong-arm tactics on behalf of the government. The action appeared related to the preparation by GCC staff of a document which roundly blamed the Burnham government for the country's serious social and economic woes. The paper was for discussion at the meeting.

### CATHOLIC STANDARD Comment

Port-of-Spain SUNDAY EXPRESS in English 31 Mar 85 p 20

[Text] Georgetown, Saturday (CANA)--The CATHOLIC STANDARD, official organ of Roman Catholics here, has strongly criticized the break-up of this month's annual general meeting of the Guyana Council of Churches (GCC) by pro-government supporters.

Protesters, mostly from the House of Israel, a religious sect that publicly backs the government, picketed and occupied the conference centre on 12 March, effectively scuttling the meeting, which would have had before it a six-page paper assessing Guyana's chronic social, political and economic problems and their causes.

Following in the text of the STANDARD editorial:

"The dirty tricks played by the ruling party against the Guyana Council of Churches and individual church leaders were surely not caused by a paper. There has to be another reason.

For a PNC Hindu Parliamentarian to become a Christian overnight; for a vice-president who is a professed Muslim to suddenly revert to Christianity; for so-called black Jews to join with others coerced or attracted to attend a meeting and so become concerned Christians, there must be a more radical reason.

Certainly, the unprecedented move to block the council from holding its AGM calls for a more serious reason--that the party fears that it would be criticised at the meeting. The real reason for the panic is not hard to find. Six of the leading churches of the council have written a letter to three prestigious international human rights organisations, inviting them to send a team to examine our electoral system.

By the ruling party this is seen as extremely threatening, since elections are the means by which the party has kept itself in power for 20 years with a two-thirds majority in Parliament. What is more, the organisations have accepted the invitation and named for the team three highly competent persons: Lord Chitnis, of U.K., an authority on electoral practices; Henry Forde, former foreign minister of Barbados and Orville Schell, former president of the New York Bar Association.

The churchmen who have invited them to come are leaders of their churches and highly respected members of our community--Bishop Randolph George (Anglican), Bishop Benedict Singh (Roman Catholic), Reverends George Richmond (Moravian), Oswald Best (Presbytery of Guyana) and Dale Bisnaught (Guyana Presbyterian).

What is most alarming for the PNC is that they have joined with six trade unions, representing the sugar and bauxite workers and the city clerical workers. Together these unions represent more than half the country's work force. The Guyana Bar Association and the Guyana Human Rights Association have also added their voices to the call."

CSO: 3298/561

JAMAICA

SEAGA ADDRESSES NATION ON ECONOMY, SPARKS REACTION

Text of Broadcast

Kingston THE DAILY GLEANER in English 13 Apr 85 p 3

[Text]

Following is the text of the broadcast to the Nation last night by Prime Minister Edward Seaga:

"Good evening. Two months ago, when I reported that we were well on the way to achieving our targets for the financial year 1984-85, ALCOA had just announced its intention to suspend operations at its Clarendon Alumina Works. As I said then, this development meant that the financial year commencing April 1, 1985, could no longer be expected to be much easier than the one just ended because of the extremely serious impact which the closure of the ALCOA plant was going to have on the economy.

Tonight I want to let you know that we have met our 1984-85 targets. The two basic economic goals which we had set were, first, the reduction of the budget deficit to 8.3 per cent or half the level of 17 per cent GDP inherited from the previous Government, and second, the reversal of the continuing slide in our balance of payments to achieve a substantial surplus.

We have in fact bettered the first target of 8.3 per cent, and it is now expected that this deficit will have been reduced to about 7.2 per cent of GDP — an astonishing feat.

The second target, to transform a deficit of nearly US\$300 million in our 1983/84 balance of payments account to a surplus of some US\$300 million in 1984/85 is expected to be achieved by the end of this month, representing an equally astonishing

turn-around of approximately US\$600 million in a single year. The deadline for achieving this target was extended by the IMF from the end of March to the end of April because the Fund was not able to complete on time the documentation necessary to release flows from the World Bank, AID, and the IMF itself, which constitute part of the build-up of reserves targeted.

**Very ambitious**

Why was it necessary to make this tremendous effort and to put the entire country through enormous hardships and sacrifices in order to meet these targets? We were from the very outset conscious of the fact that we were extremely ambitious and indeed, this programme represented the most intensive adjustment of any economy anywhere in the world. Certainly nothing of this magnitude had ever before been attempted by the Jamaican people.

The reason for this bold decision and challenge to the nation was that the alternatives would quite simply be economic disaster and social chaos.

By holding resolutely to our course despite criticism, we now have a situation in which the balance of payments surplus which we anticipate at the end of this month will be the largest surplus by far in any year of our history. Let us remember also that in the last ten years we have only had one surplus year, 1981-82.

At the same time, we have never before even contemplated much less attempted to cut the budget deficit

in half. The importance of drastically reducing this deficit is easily understood when we relate it to our own personal experience. This deficit merely represents what the Government has to borrow in order to close the gap between what we spend and what we earn. If we spend more than we earn we have to borrow to make up the difference.

It therefore follows that the higher the deficit the more we have to borrow and the more we have to repay, and if borrowing keeps increasing to higher and higher levels, repayment of the debt will eventually cripple us.

### Debt servicing

Last year, for instance, we paid out approximately 56 per cent of revenues to service our debt. This year we will cut that figure to 51 per cent. In the 1960s more than 12 per cent of revenues used to be required to service debt.

A government should only borrow for productive purposes, and indeed this is the way it used to be in the 1960s. Since 1975 the Government has been borrowing to pay pensions; the Government has been borrowing to pay rent; the Government has been borrowing to pay travelling and to pay for utility services, upkeep of the University, the provision of materials and supplies, and the financing of all its purely housekeeping costs.

We are still paying for the mismanagement of the seventies, a problem which has been compounded by the changing economic conditions of the 1980s. The failure to put aside some of the benefits from the seven years of plenty in the bauxite/alumina sector has meant that now, in the lean years, we must make sacrifices.

The severe contraction of the bauxite/alumina sector has meant a loss of some J\$300 million in revenue. This money would have gone towards financing services such as water supplies, roads, bridges, health centres, schools and markets.

In such a situation, what do we do?

The choice is clear. Either we do nothing, which would leave us increasingly unable to maintain services, let alone improve public sector wages; or we take steps to reduce borrowing, cut expenditure, and increase revenues from other sources.

This is precisely what we have been doing. In 1983-84 Government borrowed over \$1100 million to finance the Budget. In 1984/85, Government cut its borrowing to under J\$700 million, a reduction of more than one-third.

### Borrowing cut

While reducing borrowing, what have we been doing to cut costs? By far the largest item of Government expenditure is the public sector payroll. Indeed in 1984/85, the staff costs for the Public Services amounted to J\$1153 million, leaving only J\$212 million to finance the running of the Government, only \$17 million more than the cost of operations four years ago.

The fact is that at \$212 million the operational Budget for the Government has now been cut to the bone and cannot be further reduced without serious dislocations of essential services. Painful though this will be, we must now look to further cuts in the Government's payroll.

We have already started that process, and action taken last year will result in savings of \$26 million which will go towards financing essential services this year.

In approaching this exercise we examine the whole range of Government services and virtually no Ministry, Department or Agency escaped scrutiny. This year we will be concentrating on eliminating duplications and unessential services to effect further reduction in costs in Central Government, Local Government and Statutory Agencies. For example, this country currently spends over \$200 million to run Parish Councils, for services which duplicate many already offered by Ministries. Consequently, the duplicated services will be transferred to the relevant Ministries where the infrastructure already exists thereby saving over \$20 million this year and \$50 million next year.

### PCs examined

Because the work load in Parish Councils, after the duplications have been removed, will no longer require as large a number of Councillors, and to further streamline the Local Government machinery to enable us for the first time to pay salaries to Councillors, we will be reducing the number of Parish Council seats for the forthcoming Local Government

Elections from 275 to 120. The need for councillors to be paid salaries so that they can devote more time to Parish Council work has long been recognised, and is overdue.

A Ministry Paper to be tabled in Parliament on Tuesday, April 16, will provide further details.

Although we have substantially reduced borrowings and Government expenditure we will not feel the full benefits of these measures in this financial year. Therefore, the fallout in bauxite revenues cannot be made good only by the measures I have just outlined.

There is no possibility of cutting the Capital Budget by \$300 million to compensate for the revenues of the same amount lost from the bauxite closures since this would mean eliminating roughly one-half of our Capital expenditure, and we would then be unable to meet even the existing contractual arrangements which total some J\$480 million. The gap, therefore, has to be closed by finding additional revenues.

Inevitably, we are faced with an increase in taxes to close this unexpected gap and to further reduce the Budget deficit.

### More taxes

To close the Revenue gap of \$300 million, import duties are being increased as follows:-

10 per cent additional stamp duty on raw materials;

20 per cent additional stamp duty on capital goods;

and 30 per cent additional stamp duty on consumer goods.

These new rates of stamp duties become effective immediately.

However, in recognition of the painful realities facing much of our population, there will be certain important exemptions. These include such basic food items as rice, wheat (for flour), corn, soya and milk powder. Also exempted are fertilizers, drugs and pharmaceuticals, books, sports goods now imported duty free, among other things.

In the capital goods category, motor vehicles, motor cycles and tractors are exempted from the increased duty.

The details of these measures will be obtained in a Ministry Paper to be tabled April 16.

You will be pleased, I know, to hear that these new import duties will be accompanied by the elimina-

tion of the import licensing system for all but a few items. Of the 894 items currently requiring import licences, only 76 will continue to do so. The new import licensing regime will become effective on Wednesday, April 17, and details will be presented to the House in a Ministry Paper next Tuesday.

### Bauxite scene

The situation in the Bauxite/Alumina industry has also created a shortfall of US\$93 million in our projected foreign exchange earnings for this financial year. We must rebuild this loss from other sectors.

We now know that the cost to the economy of the January demonstrations was over US\$30 million, due to a fall-off in tourism earnings. Everything is now being done to improve the rate of recovery so that Tourism can meet its targets for this year. However, I must state that the outlook for the year is still clouded with uncertainty as to when the industry can return to the level of growth originally forecast.

It is sobering to realise that, with the extra foreign exchange which would have flowed had there been no disruption in January, the exchange rate would have stabilised in the vicinity of J\$5 to US\$1 today instead of J\$5.50 to US\$1. Correspondingly prices would have been more stable.

Export manufacturing, particularly in the new industries being put in place, has begun to show positive signs in some areas. In order to ensure that the new tax measures which I earlier outlined do not impede the export sector, I propose to grant for the raw material content of all exports to Third Country Markets, that is export markets outside of CARICOM, a refund of both the new 10 per cent additional stamp duty on raw material imports and the similar duty of 6 per cent imposed last year.

This incentive is to be provided only in relation to exports to Third Country Markets in respect of which the foreign exchange earnings are actually brought back to Jamaica and sold to designated banks.

In order to sustain the necessary momentum in the export manufacturing sector and to achieve for that sector the level of improvement already attained in Tourism and Agriculture, Deputy Prime Minister Hugh Shearer and Minister Douglas Vaz will be concentrating on the accelerated expansion of export manufacturing.

## Agriculture

Over the past two years since I introduced the Agro 21 Programme, I have been working closely with the Minister of Agriculture to pave the way for a totally new approach to agricultural production, involving the best technology and commercial practices. I shall continue to devote much of my time to this sector because the results are very encouraging. The fact is that the Agricultural sector in 1984 produced the best rate of growth and the lowest rate of unemployment of any sector of the Jamaican economy.

In the light of this experience we are now about to take another major step towards realizing the full potential of our Agriculture which, as it is, already supports half of our population.

Revitalization of the Banana Industry by the development of scientifically cultivated high production acreage is now well underway. Sugar now remains the only one of our traditional crops still facing an uncertain future. Its vulnerability to world market conditions strongly emphasises the need to reduce reliance on sugar. Not only are there the perennial problems of prices and quotas, but there is also the very real and growing threat of competition from artificial sweeteners. Pepsi Cola and Coca Cola, vast users of sugar, for instance, have now decided to switch to artificial sweeteners.

We have completed an assessment of the Sugar Industry which indicated that there are some 20,000 acres, in Bernard Lodge, Caymanas and Holland Estates, which cannot grow cane profitably for manufacturing sugar, but are nevertheless still amongst our best agricultural lands. Our policy is to put these lands into other crops, partly for export and partly for import substitution. This project will not replace any lands currently in cane in Bernard Lodge and Caymanas in the beginning. It will start with 8,000 acres of uncultivated land for the first year.

### New crops

It is estimated that the planned diversification will more than double net foreign exchange earnings from these new crops from the present level of US\$20 million earned by sugar to some US\$45 million. Em-

ployment will increase from 3,250 in sugar to 5,400 permanent employees. Additionally, 42,000 persons will be employed for half the year in the mixed crop programme. You can well imagine what this most far-reaching project will do in reducing unemployment.

It is proposed to establish a special Corporation under Agro 21 to implement the transformation over a two or three year period. I should point out that the diversification into mixed cultivation, rice, corn, soya, fish horticulture, will in no way impair our abilities to meet out EEC quota requirements as well as the requirements of the local market for sugar. The sugar produced by Frome, Monymusk and the other smaller estates will satisfy these.

As I have already indicated, all these measures which I have outlined tonight have been designed to compensate for the loss of revenue which the country has experienced from the decline in the bauxite/alumina industry. But it should not be thought that we have by any means written off that industry as a major sector of the Jamaican economy.

I am therefore pleased to be able to tell you that the Government has successfully reached a verbal agreement with ALCOA which is presently being transcribed by the lawyers for the signature of the Minister of Mining, Energy and Tourism this evening. ALCOA will operate the plant on our behalf and the full alumina production will belong to the Government who will pay all the production costs in relation thereto and will have the responsibility of marketing the alumina so produced. Markets have already been secured for over 600,000 tonnes of alumina per year which will allow the plant to operate at near full capacity. Before closing, the plant operated at roughly one-half of that level. This will, therefore, mean greatly increased production.

### Mining again

Although this is a considerable achievement, the success is only partial. Because we will have to sell some of the product at extremely low world market prices, projections indicate that the normal levy earnings will not materialise.



But by keeping the plant in operation two important things will be achieved. First, the jobs of the great majority of the employees of the Company will have been secured. In so doing not only the welfare of their families are protected but the valuable skills which they possess will continue to be productively used.

Second, we achieve the objective of keeping the plant open for Jamaica and remaining in control of the destiny of the industry in Jamaica. We are aware that Jamaica can rebuild its bauxite industry to competitiveness with the introduction of appropriate energy efficient technology including conversion from the use of oil to coal for the generation of power. This is the direction we are about to take. The Bauxite industry must not be written off and we must never lose control of it. We can and will make it competitive again.

The employees of the ALCOA plant will all be paid redundancy by ALCOA and in their capacity as manager of the plant on behalf of

the Government they will employ those required for its operation. I am confident that with the coöperation of the employees we can make a success of this venture while the necessary steps are taken to secure the future of the industry as a whole, just as we have had to do in the case of the previous Esso Refinery.

A Ministry Paper with further details will be tabled in Parliament on Tuesday.

The past year has, for all of us, been without question one of the most difficult and testing in our modern history. The country has had to undergo a painful adjustment to new economic realities and I am only too well aware of the effect this had had on the lives of individuals.

If there were another way, an easier way, to arrive at the desired objective we would have taken it. Politicians are always tempted to avoid unpopular policies. This is true even when they know those policies to be correct.

But there are times when responsible leadership requires the courage to look beyond popularity, to the welfare of the people and the security of the nation. If we have learned anything from our recent history, it is that if we postpone what we know to be right in order to do only what is popular, we all pay dearly in the long run.

For instance, we allowed the budget deficit to be run up from 4 percent of the Gross Domestic Product in 1972 to the mammoth level of 17 percent by 1980. We are all now paying dearly to restore it to the safe level of 4 percent. We are nearly there and when we succeed within the next two years, I intend to propose legislation in Parliament preventing any governments from exceeding the 4 percent deficit ceiling.

While I am fully aware that any legislation can be amended in the future, I propose to do this to signal to all Jamaica and to the world that a run-away budget deficit is one mistake that no government of Jamaica must ever again be allowed to make again.

#### New Horizons

The price we are being asked to pay is, I know, a very high one. But the nation and its people are not being asked to suffer without hope. New horizons are being opened up daily for many of you. In agriculture, in tourism, in manufacturing, in services there are opportunities in Jamaica unthought of ten or even five years ago. And these opportunities are being grasped and exploited by a growing number of enterprising Jamaicans from all walks of life.

The ground work for ensuring future growth is being well and truly laid. We are realizing our two critically important targets for this year of reducing the budget deficit and reversing the balance of payments deterioration. We have dramatically embarked on the process of reducing unnecessary public sector expenditure and the scale of government borrowings. We are now moving ahead with the transformation of the agricultural sector without jeopardizing the role which sugar still has to play as a traditional export commodity. Diversification into other crops, some of them new, holds the key to feeding ourselves from what we grow, a bold plan never before attempted in Jamaica which will open the door to a more prosperous future for all our farmers--small, medium or large.

What has happened at ALCOA, coming at this time, is symbolic of the success that is possible if we refuse to be daunted by the enormity of the challenges with which we are presented.

All of us can remember how we felt when ALCOA suddenly announced its closure in February. Understandably the future seemed darker at that moment. But we did not allow ourselves to be overwhelmed and now just two months later we have been able to secure the reopening of the plant, thus signalling a new future for the people in the industry.

Let us, therefore, take heart from these new beginnings and have faith that there is a brighter future for the people of Jamaica in the successful completion of the policies we have been pursuing.

I know that many of these policies have shattered traditional thinking and are sometimes unsettling because we are attempting to do what has never been done before. But the changes we are making are to give the economy a solid foundation of real strength, in addition to repairing the damage of the past, and whenever change occurs there is a cost involved. In this case, it is a cost which we all have had to share.

Jamaica has long been living beyond its means, at a cost which people in other countries have had to bear. Now the world is saying to us we must accept these costs and begin to shoulder them ourselves. This we are beginning to do successfully, not only because there is no other course, but because there is no self-worth or pride in having to rely upon others to shoulder our burdens without end.

Let us, therefore, open our minds to tomorrow, while we continue to fight hard to win the battle for the economy today."

#### PNP Statement

Kingston THE SUNDAY GLEANER in English 14 Apr 85 pp 1, 2

[Text] The People's National Party has predicted that the ultimate result of the economic measures announced by Prime Minister Edward Seaga on Friday night, coupled with the effect of the recent credit restrictions, "will be to finally destroy the capacity of the productive sector and will bring about another wave of lay-offs, price increases and other hardships which the country will be unable to bear." In a statement issued by Mr P. J. Patterson, the party's chairman, reacting to the prime minister's announcement of new tax measures and plans to lease the alumina plant of Alcoa Minerals of Jamaica, the PNP said that its officers and members "categorically reject the major implications of the presentation." It stated:

"To begin with, Mr. Seaga has continued to evade the real issue which is the failure of his economic policies. He only repeated his litany of blaming history instead of admitting his own responsibility for expanding the national debt, increasing the trade deficit and demolishing the productive structures of the country."

### **No mandate**

The party said it was satisfied "that Mr. Seaga and the Jamaica Labour Party does not have any mandate to impose further burdens of taxation on an already overburdened population." It went on:

"He has again announced his intention to levy new taxation outside of the context of a budget, the result of which is to stretch the level of endurance of the suffering of the people and placing the brunt of the burden on those who are least able to bear it. This is the final push into a state of rampant malnutrition and starvation." The PNP then predicted:

"The ultimate result of the measures announced, coupled with the effect of the recent credit restrictions, will be to finally destroy the capacity of the productive sector and will bring about another wave of lay-offs, price increases and other hardships which the country will be unable to bear."

Dealing with the Prime Minister's announced plan to reduce the number of Parish Council seats from 275 to 120, the PNP said:

### **'Will resist'**

"Most disturbing in Mr. Seaga's presentation is the sinister plot he finally unveiled of his intention to tamper with the present system of Local Government representation. The PNP protests and will resist what is obviously a calculated assault on our democratic tradition. It regards as objectionable what appears to be an attempt to postpone Local Government elections."

"The PNP restates that there must be no attempt to replace Parish Councils with County Councils, without national consensus, and insists that Local Government elections must be held not later than June this year."

So far as the Prime Minister's statement on Alcoa Minerals was concerned, the PNP said it regarded the implications of this as "so far-reaching", as to warrant a further statement. Meanwhile, however, it said, "the party demands that the terms and conditions of the management contract be clearly stated, and that Mr. Seaga provide the country with full details about the management fees payable to Alcoa, the impact the new agreement will have on the bauxite levy as well as which countries markets for Alcoa's alumina have been found."

### **No more redundancies**

"The party is also deeply concerned about the economic and social implications which the additional lay-offs in the public sector will cause. The PNP will not tolerate any further redundancies in this sector."

"The PNP charges Mr. Seaga with being more concerned with statistics than with the welfare of the people. His description of economic recovery

bears no relations to the realities of the experiences of the people".

The PNP said its Shadow Cabinet and their technical advisers, who had met on Friday night to consider the Prime Minister's announcement, would meet again yesterday to examine the statement in greater detail. Also, it planned to have a meeting of the party's Executive and constituency representatives at its Hope Road headquarters today.

## Parish Council Cuts

Kingston THE DAILY GLEANER in English 16 Apr 85 11 1, 3

[Text]

Construction Minister Bruce Golding said last night that the speed at which electoral boundaries are re-defined in keeping with Prime Minister Edward Seaga's announcement on Friday night of a plan to reduce the number of Parish Council divisions from 275 to 120, would depend on how quickly Government and Opposition representatives on the Electoral Advisory Committee can arrive at an agreement.

Mr. Golding said yesterday that once consensus was achieved, the electoral boundaries could be re-defined and the new boundaries demarcated. "After that, it is simply a matter of gazetting the new boundaries."

Mr. Golding's comment, in response to queries from the Gleaner, follow criticism from the People's National Party of the Prime Minister's announcement as "posing a grave threat to the country's democratic system and tradition." The PNP said that "Local Government elections must be held by June of this year and must be conducted on the basis of the existing system."

Mr. Golding, who is the Minister responsible for Elections, was responding to the questions: What was involved in reducing the number of Parish Council seats from 275 to 120? And would it be possible for the Electoral Advisory Committee to re-define the boundaries and carry out all the procedures involved by June, bearing in mind that Local Government Elections had to be held by the end of June?

"A Ministry Paper to be laid on the Table of the House tomorrow, will set out the sort of mechanism to be used," said the Minister, who added, "But everything will depend on how quickly the two sides on the committee can arrive at consensus. Once they agree, it is going to depend on two factors: a) how frequently they meet, once the system is put in place; and b) how accommodating the two sides will be in dealing with each other."

The Minister said he believed the Director of Elections had all the technical data available. "And once the technical data is placed on the

table, it will be a matter of disposing of the areas of agreement, and dealing with those matters on which members of the committee disagree."

In response to further questions on the subject, the Minister said:

"We are maintaining that with the removal of critical areas of administration that the Parish Councils formerly had responsibility for, namely, roads, water supplies, poor relief and public health, that the areas of responsibility are now such, that you don't require as many as 278 (not 275) seats. We feel, as a matter of principle, that Councillors have to be paid, for it is no longer the old-time days when members of the aristocracy gave voluntary service. We are going to pay the Councillors; and, having made that decision, one cannot leave the number of Parish Council seats to be created, to the discretion of the Electoral Advisory Committee.

"Another point is that the Constitution sets a limit on the number of constituencies that you can have — namely, 60; and within that limit of 60, you can change your boundaries. And we feel that what we are seeking to do is to put the Parish Councils analagous to that."

Asked about statement by the Chairman of the Electoral Advisory Committee, Prof. Gladstone Mills, on a radio programme Sunday to the effect that the re-definition of a number of constituencies (22) recently, had "taken some time," the Minister said it should be borne in mind that that exercise was undertaken simultaneously with the distribution of voter identification cards, and consequently took more time. However, if the electoral machinery concentrated on the sole matter of the re-definition of boundaries, it should not take as much time. He believed re-definition of the boundaries to reduce the number of Polling Divisions from 278 to 120 could be accomplished by June, in time for the holding of Local Government elections.

## ALCOA Pact

Kingston THE DAILY GLEANER in English 15 Apr 85 p 1

[Text]

The JAMALCO alumina plant at Halse Hall, Clarendon, will be leased by Alcoa Minerals of Jamaica to Clarendon Aluminium Products, Ltd., a Government-owned company and the plant is to be managed by Alcoa, a news release from Jampress says.

An agreement to this effect was signed between the Hon. Hugh Hart, Minister of Mining, Energy and Tourism, and representatives of Alcoa at 6.15 Saturday yesterday morning, following all-night negotiations by the two sides.

The negotiations which were in progress when Prime Minister Edward Seaga announced Friday night his Government's plans to re-open the Alcoa alumina plant.

A Jampress news release on Saturday from Jamaica House announced the conclusion of the negotiations, stated that Prime Minister Seaga had announced that negotiations between Alcoa and the Government of Jamaica were successfully concluded Saturday morning after all-night negotiations with the signing of an agreement at 6.15 a.m. by Mining

and Energy Minister Hugh Hart and representatives of ALCOA.

Mr. Seaga who disclosed the negotiations in his broadcast to the nation on radio and television last night, said that the negotiations continued throughout the night to facilitate the Minister who had to leave the island early Saturday morning.

He emphasized that he was 'extremely pleased by the fact that the majority of employees of ALCOA would retain their jobs, not only assuring the welfare of their families, but continuing the application of their skills for the benefit of the entire nation.

Under the new arrangement the JAMALCO Alumina Plant at Halse Hall in Clarendon, will be leased by Alcoa Minerals of Jamaica to Clarendon Aluminium Products Limited, a Government-owned company. The plant will be managed by Alcoa.

The Prime Minister explained that Clarendon Aluminium Products is a Government-owned entity established especially for the manufacture and sale of alumina from the plant.

## Opposition Protests

FL181837 Bridgetown CANA in English 1803 GMT 18 Apr 85

[Excerpt] Kingston, 18 Apr (CANA)--Soldiers using government trucks today cleared derelect motor vehicles and other junk from near major roads in the Jamaica capital, Kingston, in an apparent move to prevent their use as road blocks if anti-government demonstrations against plans to alter the local government system escalate.

The opposition-inspired protests, which started Tuesday, have so far been relatively minor and confined to rural parishes, though there were reports of road blocks--and clearance by the police--in two areas of the capital early today.

There were also demonstrations today at Morant Bay, main town of the eastern Parish of St. Thomas, and the north coast town of St. Ann's Bay, opposition sources said.

While the protests are largely over Prime Minister Edward Eaga's intention to cut down the number of seats in the 12 local government councils and hand much of the functions of the municipal authorities to central government, political activists have also been using government's economic austerity programme here to galvanize support.

The police say they are monitoring the situation and have appealed to Jamaicans to remain calm.

JAMAICA

LURE OF LOW WAGES NOT HELPING AS BOOST TO INVESTMENTS

Port-of-Spain TRINIDAD GUARDIAN in English 10 Apr 85 p 12

[Text]

KINGSTON, Wed., (Cana):

THE JAMAICAN tradition of strong trade unionism could put cracks in the government's attempts to use the lure of low wages as an investment catch, a growing focus on working conditions at the Kingston Free Zone is indicating.

"Jamaicans are treated like indentured labourers," five major unions said in a recent letter to Labour Minister, J.A.G. Smith.

COMPLAINT

The complaint came after two unions had served a joint representational rights claim on eight garment manufacturers on the zone, and an Opposition charge that one firm had imported Far Eastern workers to do jobs locals could perform.

The five unions told Smith that the administration was failing to inform foreign investors of the minimum labour standards in Jamaica.

The conservative Edward Seaga Government, they argued, in its zeal to attract new industries to this Caribbean island, was apparently oblivious of the need to protect the hard-won gains secured by relentless struggle.

"Conditions," they said, "were abominable, and wage rates were branded as exploitative."

Officials here have fended the charges, but privately some admit they are unhappy with conditions, and Public Utilities Minister Parnell Charles has promised to investigate the matter.

TARGETED

Prime Minister Edward Seaga has targeted the eight-year-old free zone in Kingston and one being established in the western city of Montego Bay, with their rich package of incentives, as sites to attract labour intensive operations, particularly garment manufacturing.

Benefits from free zone operations are largely through the jobs they provide and utilisation of local services.

Firms operating in the zones are exempt from import duties on raw materials and equipment and income taxes are free from import licences and quantitative restrictions and exempt from the country's foreign exchange requirements.

"One could say the zone is like another country," a Kingston free zone official said. "But the companies are governed by the minimum wage laws and other legislation and foreigners who work here have to pay income taxes to the government."

At present 16 companies are now operating in the free zone, mainly from the U.S. and some very Hong Kong garment manufacturers who want to relocate outside of that country before the territory is handed back to China at the end of the century.

The letter was signed by the National Workers Union (NWU), which is affiliated to the Opposition People's National Party (PNP), the Trade Union Congress (TUC), the Union of Technical, Administrative and Supervisory Employees (UTASP), the Jamaica Association of Local Government Officers (JALGO) and the Jamaica Union of Public Officers and Public Employees (JUPOPE).

It, however, was not signed by the Bustamante Industrial Trade Union (BITU), which is linked to the ruling Jamaica Labour Party (JLP).

The Seaga Government's thrust to attract investment has not been limited to the free zone, and in 1981 it

established the Jamaica National Investment Promotions (JNIP), described as a one-stop agency to help investors from the initial enquiry to project start-up.

More than 300 new investments have been established here since the JNIP's establishment, about half of them foreign and with most of these coming from the US.

MAJOR PLUG

A major plug by the agency is wage rates in Jamaica, the proximity of the island to the US and free access to that market for most products under the Caribbean Basin Initiative (CBI).

The minimum weekly wage in Jamaica is (J) \$60 for unskilled workers which is now worth a little over (US) \$11 under the government's policy of devaluation to make exports competitive.

Put another way (US) \$44 could pay an average unskilled labourer a month, while an electrical technician would get (US) \$110.29.

Labour leaders here say these figures put Jamaican labour rates lower than any other member country of the Caribbean Community (Caricom) and even Haiti.

Long before the Jamaican dollar had

slipped to this low level big savings on labour rates were apparent. Kurt Salmon Associates, a consulting firm the government hired to help chart the direction for Jamaica's manufacturing sector reckoned that under America's 807 programme where components of a garment are sent to be assembled here then re-exported to the USA, the U.S. manufacturer could save up to 54 per cent on men's polyester slacks.

Savings went as high as 61 per cent on cotton woven sports shirts and 66 per cent on brassiere.

Free zone officials say they cannot tell companies how much to pay, but say from their knowledge the minimum wage was paid only during training after which wages increased and incentives introduced.

But some months ago it was disclosed that Industry and Commerce Minister, Douglas Vaz, at a private meeting with some garment manufacturers did complain about wage rates and suggested they be increased.

But it was not only the wage levels the unions complained to Smith about: "They said employees were expected to work a minimum 12 hours a day in a six-day week, and in some cases, seven days."

"If they refused they are dismissed," the unions claimed. They also backed an opposition claim that East Ocean Textiles, the subsidiary of a Hong Kong company had brought in 78 Filipinos and 10 workers from Hong Kong.

## RIGID

The importation of unskilled labour is a deliberate attempt to break the will of Jamaican workers, and force them into accepting intolerable working conditions because of the job shortage, the labour groups said.

However, officials say that any foreigners brought to Jamaica were either top managers or to train locals.

"In order to meet the rigid requirements of a highly competitive export market, the companies have found it necessary to train the albeit untrained but enthusiastic Jamaican workers in a cost-and-time-effective manner as possible," said Peter King, the chairman of the Freezone Board.

"The board is satisfied that these expatriates are not filling jobs that can be performed by Jamaicans at this time."

Labour Minister Smith, answering the Opposition allegations, disclosed that between December 18 and February 3 this year East Ocean Textiles has had 162 work permits approved of which 133 are currently valid.

But the company, he said, employed 1,500 per-

sons, operated on a double shift, therefore required a relatively large number of trainers. "Further," the Minister said, "their equipment was the latest state of the art and computerised."

There have been good reports about the performance of the Jamaican workers in new enterprises here and Prime Minister Seaga recently said that it took 20 per cent less time to train a Jamaican employee than his American counterpart.

The Labour Minister stressed that workers at the free zone had the right to union representation if they wished and declared: "This government has no intention to be party to workers in Jamaica losing any hard won gains."

Smith noted that all workers in Jamaica were covered by the national minimum wage except where there was an established minimum wage for a particular sector.

JAMAICA

CARL STONE ASSESSES POLITICAL CLIMATE, PROSPECTS

Evaluation of Ministers

Kingston THE DAILY GLEANER in English 4 Apr 85 p 3

[Text] The February 1985 Stone Poll was carried out by Professor Carl Stone under the sponsorship of THE DAILY GLEANER over the period 22-28 February. The sample includes 950 persons (18 years and over) and was spread over 52 areas and communities islandwide. The sample error is estimated at plus or minus 5 per-cent. The last Stone Poll done was in September 1984.

The February 1985 Stone Poll again found that the public rates Minister Charles ahead of his colleagues in the JLP Cabinet in their assessment of which ministers are doing a good job.

Minister Charles' positive rating has however, dropped from 41% in October 1983 to 31% in September 1984 and now to 29% in February 1985.

Prime Minister Seaga was again placed second with a 13% positive rating compared to 28% in October 1983.

The most impressive rise in the public rating of ministerial performance is that of Minister Broderick. His positive rating increased from 2% in October to 9% in September 1984 and now to 12% in February 1985.

Deputy Prime Minister Hugh Shearer's rating also improved from a 5% level in September 1984 to 11% in the current poll.

Youth Minister Bartlett has fallen from a 10% positive rating to a 3% level in the current poll.



## QUESTION:

Which JLP Ministers (including the Prime Minister) do you believe are doing a good job?

|                   |     |
|-------------------|-----|
| 1. Charles .....  | 29% |
| 2. Seaga .....    | 13% |
| 3. Broderick..... | 12% |
| 4. Shearer.....   | 11% |
| 5. Baugh .....    | 6%  |
| 6. Spaulding..... | 5%  |
| 7. Anderson ..... | 3%  |
| 8. Bartlett.....  | 3%  |
| 9. Golding.....   | 2%  |
| 10. Hart.....     | 2%  |

Kingston THE DAILY GLEANER in English 8 Apr 85 p 8

[Article by Carl Stone]

[Text] THE RECENTLY published political polls provide yet another commentary on the political mood in the country.

The overall trends should hardly have surprised anyone except the handfull of JLP fanatics and Manley-PNP haters who hang on to the absurd belief that the present JLP government has a chance of being re-elected.

To be sure the PNP is not as strong as it would like to be. Some 60% of the electorate have lost confidence in the JLP government and its leaders. Yet only 43% believe that the PNP represents a viable alternative. Clearly, if the PNP had a stronger and more credible image its lead over the JLP would be much bigger.

The polls document the intensity and magnitude of the anti-government and anti-Seaga sentiments that pervade the country. 59% believe that Mr. Seaga is doing very poorly as a Prime Minister. 60% say that their situation has got worse since Mr. Seaga took over from Mr. Manley. 57% are hostile to the main thrust of JLP policies. Only 12% believe that Mr. Seaga is doing a good job as Prime Minister and only 13% feel that he is outstanding among the JLP ministers as one who is doing a good job.

The country is going through rough times. Many unpopular policies have to be implemented. In the best of times our governments lose credibility in their second terms. The manner of the JLP re-election in 1983 was most unpopular and many citizens have great reservations about how that election was called. Since then the JLP government's credibility has declined rather rapidly. Indeed, for most of the years since it was elected in 1980 this JLP government has enjoyed only minority support.

What has happened to JLP sup-

port since 1980 parallels very closely what happened to PNP support between 1976 and 1978. Between November 1976 and November 1978 PNP popular support fell dramatically from 48% of the electorate to 29%. Between October 1980 and October 1982 JLP popular support fell less rapidly from 50% to 38%. In both cases, the polls documented the fall from a majority to a minority position by both governing parties over a short two-year period.

The big difference, of course, is that the PNP was in its second term while the JLP was in its first term. But for the events in Grenada, Mr. Seaga's JLP would certainly have been our first one term government. The factors which led up to the unfortunate 1983 one party election have a lot to do with the desperation of a government which sought to take advantage of an opportune political moment knowing that bad times were coming and that if it did not seize the time, it was likely to become our first one term government.

Sixty-three percent of the voters believe that the people have completely lost confidence in Mr. Seaga's government. That fact renders problematic efforts by the Government to induce greater policies.

What is quite remarkable is that this poll was done a few days after Mr. Seaga made his rousing address to the nation in which he called for broadly based national support for his economic policies. His appeal obviously has not elicited the support it was seeking.

As the above comments on the PNP period indicate, support for the JLP is now about the same level as the support the PNP had towards the end of 1978 or two years before the 1980 election. At that time JLP support was only 33% and the largest segment of the electorate (38%) were those who had no interest in voting for either party. A large number of independent uncommitted persons alienated from both parties is, therefore, not a new thing.

Between 1978 and 1980 the JLP increased its support from 33% to 50%. Assuming that Mr. Seaga can hang on until 1988, the PNP will have a chance to build up its level of

popular support. But my view is that memories of the 1970s will render that a more difficult task than that faced by the JLP at that time.

The JLP has committed itself to having local government elections this year. Whatever form of elections are held they are going to be treated by the PNP and the voters as a vote of confidence in Mr. Seaga's government. The polls suggest that the JLP is going to get a rather bad beating in any local elections called in the near future. That factor might itself change Mr. Seaga's projected political timetable by generating such a drop in local and international credibility as to force him to call general elections.

Mr. Seaga might well repeat the 1983 electoral manoeuvre by calling a snap local election leaving the PNP little time to campaign or to get itself organised. The PNP leadership would be silly to be caught off base two times in a row.

There are some who are taking comfort in their hopes for a JLP re-election from the fact that the PNP seems unable to rally large numbers of persons to mass meetings. Two words of caution are in order here. The size crowds attending mass meetings has never been a reliable indicator of people's voting intentions.

In 1980, the PNP had very big meetings but it was the polls rather than the size of those crowds which turned out to a reliable indicator what was likely to happen when people have a chance to vote. Secondly, the country is now beset with a very apolitical mood. A withdrawal syndrome has replaced the political activist mood of the 1970's. That fact makes it even more difficult to interpret what size of crowds really means.

The more important fact is that hostility to Mr. Seaga far outweighs interest in the PNP and the polls show that some who will be voting PNP will be holding so more out of anger against Mr. Seaga and out of a feeling that he has to be removed from power than out of any deep confidence in the PNP's leadership.

For most of the 1970s, Manley was more popular than his party.

That changed, however, after 1977. Today Mr. Seaga is considerably more unpopular than the JLP. Indeed, Mr. Seaga's current unpopularity (which is greater than Manley's popularity problem between 1978 and 1980) must certainly be counted as the PNP's biggest asset for victory in the next elections (be they local or parliamentary).

Some readers were puzzled by the fact that only 49% supported the call for elections while 63% felt that Jamaicans had lost confidence in the government. The difference, of course, reflects the fact that there is more hostility and anger towards Mr. Seaga and the JLP government than there is support for the PNP.

Only those who believe electing the PNP will make a difference support the call for elections now. Those opposed to the election call include both those voters who will vote JLP and many who are hostile to both the JLP and the PNP who see elections as a waste of time.

The polls show that there is much more sympathy for the communist WPJ than there are persons interested in voting for that party. In my view if the WPJ did not have a liability of the communist identification both the party and its affiliate trade union would represent a greater threat to the hegemony of the BITU-JLP and NWU-PNP political empires.

Many were surprised at the finding that most Jamaicans were not interested in supporting a new political party in spite of the fact that so many have doubts about the existing parties.

The fact is that those who have withdrawn faith from both the JLP and the PNP and do not see the WPJ as a alternative have descended into deep political apathy and are not likely to vote for any party whatsoever, be it old or new. Those political speculators who thought that the moment was ripe for the formulation of a new party are proceeding on a false assumption.

What all of this means is that voter turnout in our next parliamentary election is likely to be somewhere between 12% to 15% less than it was in the 1976-1980 period of intense political interest.

## PNP Leadership Situation

Kingston THE DAILY GLEANER in English 10 Apr 85 p 8

[Article by Carl Stone]

[Text] The prolonged and now obviously serious illness affecting PNP President Michael Manley casts a shadow of uncertainty around who will lead that party in the political showdown with Mr Seaga's JLP in forthcoming elections.

This column, of course, wishes Mr Manley a speedy recovery to enable him to continue the important leadership task he took on in the late 1960s. But the country and the PNP cannot ignore the fact that Mr Manley's illness might force him to surrender his party's leadership and presidency and the PNP might be forced against its wishes to select a new leader.

Moreso than any other political figure, except the late Sir Alexander Bustamante, Manley has had a major impact on our country's politics. He changed the style of politics in this country by revolutionising political communication. He expanded the role of government to a level never before attempted in Jamaica. His social policies were greater in variety and far reaching goals than that of any other elected government in our political history.

### International Justice

He put Jamaica on the map politically by his eloquent advocacy of the idea of international justice and Third World interests. He inspired Jamaicans to feel a greater sense of confidence in themselves as ordinary people with extraordinary potential. He opened up people's interests in public affairs by bringing before the agenda of public discussion issues that were never discussed on political platforms out of fear that their impact might divide and disrupt the society. Under his leadership the character of the PNP underwent far-reaching changes, some for the better and some for the worse.

The JLP has had three leaders since Bustamante (Sangster, Shearer and now Seaga). The PNP, on the other hand, has only had two (the older and younger Manley). If Manley has to be succeeded as party leader it will mark the end of the Manley political dynasty and the beginning of a new era in that party.

### Third Term

Even if Manley has to give up leadership of the PNP much of what he stood for will remain alive in that party regardless of who takes over.

There are some in the JLP camp who believe that if Manley is unable to lead the PNP, this will increase the JLP's chances of getting a third term.

The assumption here is that no other PNP leader has genuine national stature and would, therefore, be at a disadvantage in challenging the experienced Eddie Seaga. It is further suggested that a leadership struggle might divide the PNP again between leftists and moderates and increase the JLP's chances of winning the next election.

My own view is that if the present PNP party leader is forced to step down for reason of illness, the PNP is likely to be an even more formidable opponent under new leadership.

### Popular leader

Much as Mr. Manley remains our most popular leader in politics today his leadership remains tarnished with the memory of economic policy failures of the 1970's. Indeed that factor added to the feeling many have that he allowed too many ultra-leftists to be running things in the country account partly for the gap between how much support the JLP has lost since 1980 and the small increase in support for the PNP.

Mr. Manley was looking forward to the challenge of getting another chance to prove to the country that his policy perspectives were the right ones for Jamaica. In the event that fate denies him that opportunity, the emergence of a new leader in the PNP will allow that party to project a new image and to more convincingly unburden itself of the unpleasant memories of rampant populist confusion associated with the PNP of the 1970's.

### Leftist choice

The PNP will have the option of choosing either a leftist or one of its more moderate leaders to take over should Mr. Manley have to step

down. A leftist choice would excite some of the minority of younger party militants who admire the communist WPJ but such a choice would be disastrous in terms of strengthening the party's public image and its chances of wiping out the JLP in the next elections.

The most obvious choice is P.J. Patterson who has the capacity to rebuild the PNP into a fighting force able to take power from Seaga.

All of these second rank persons who are likely to be in contention for leadership should Manley stand down, have operated in the shadow of Michael for the past almost 20 years. Some good lieutenants do not necessarily make good captains and it remains to be seen what happens to the PNP leadership when Mr. Manley leaves the scene.

### Support base

Although our parties are leader centred and leader dominated, they represent strong institutions which have a support base that is independent of whichever personality happens to be dominant in their leadership ranks. The PNP's support base will not be adversely affected if Mr. Manley has to surrender leadership as our parties represent highly institutionalised political forces. If anything the sympathy that will be generated by any untimely misfortune Mr. Manley might suffer through illness would most likely increase support for the PNP.

Under a new leader there will be a better chance for the PNP to rebuild its leadership, attract new blood into its leadership cadres and project a new image of what the party is about. It will require a very strong personality, however, to replace and walk in the shoes of

Michael Manley and to reshape and rebuild the party which he remodelled in the 1970's.

Of course, there will be a great temptation if Mr. Manley retires from politics for some of the disgruntled leftists in the party to try to form a party of their own, especially if the moderate Mr. Patterson takes over. They are likely to find that they will end up with even less support than the WPJ.

### Unfortunate

It would be unfortunate if fate were to rob Mr. Manley of the opportunity to unburden his reputation of the legacy of policy failure in the 1970's which continues to haunt the PNP. We hope that he recovers and gets this second chance. I have no doubt that the JLP will not be given a third term by the Jamaican electorate. In better times when governments were able to show a better track record of policy achievements two terms were the limit of time voters gave any party in power. Those who continue to believe in Mr. Seaga are really hoping for miracles by believing that his government has the slightest chance of getting that third term.

Neither is any leadership change in the PNP likely to assist a JLP third term victory unless the PNP elects a known communist as party leader.

If Mr. Manley has to go, whoever succeeds him in the PNP is going to succeed Mr. Seaga in Jamaica House when the next parliamentary election is over. The PNP would be well advised to choose wisely in the event that such a choice is forced on them by the unfortunate conspiracy of fate that might just be bringing the Manley dynasty and the Michael Manley period to a quiet and sorrowful end.

JAMAICA

WAGE ISSUES GALVANIZE SUGAR WORKERS, CIVIL SERVANTS

Estate Closures

Kingston THE DAILY GLEANER in English 10 Apr 85 p 1

[Text

**T**HE CRISIS IN THE SUGAR INDUSTRY has deepened as workers at two more estates have gone on strike, bringing the number of estates that are strike-bound to four.

A Gleaner correspondent reported that workers at New Yarmouth estate in Clarendon went on strike on Thursday morning after a meeting with management and their union broke down over wage increases and crop bonus.

Shortly afterwards, workers at Monymusk Estate in the same parish, joined them.

Workers at Worthy Park Estate in St. Catherine and Appleton Estate in St. Elizabeth have been on strike since last month in protest against low wage increase offers and working conditions.

A meeting at the local level to try and agree on a work resumption formula at Worthy Park Estate and Appleton Estate is being arranged for tomorrow.

The unions representing the workers are the BITU and the NWU, and the meeting with the Sugar Producers' Federation (SPF) is being arranged for the SPF's office at 5 Trevennion Road, Kingston.

The workers at Appleton Estate went on strike on March 6, and those at Worthy Park, on March 21. Representatives of workers at Worthy Park Estate have agreed to attend tomorrow's meeting and representatives of Appleton Estate's workers are also to be communicated with, an

SPF source said yesterday.

Minister of Labour, the Hon. J. A. G. Smith, said at an abortive meeting at the Ministry on April 3 between the unions and the SPF, that Jamaica had just over 60 days in which to satisfy its EEC sugar quota of 125,000 tonnes and close to 70,000 tonnes more sugar needed to be made and shipped before mid-June.

He asked for work resumption at Worthy Park and Appleton Estate as early as possible after the Easter weekend, and for full normality throughout the industry.

If this was done he would meet the parties on April 17.

Chairman of the Sugar Industry Authority, Mr. Frank Downie, in a statement last week, said the 1984/85 sugar crop production was on target up to April 3, 1985 with 96,379 tons produced.

Projected production figure was 210,000 tons.

He noted, however, that cropping operations at two major factories (Worthy Park and Appleton) had been interrupted by strikes and, he said, Jamaica could lose vital export markets if supply deadlines were not met.

## Sugar Settlement

Kingston THE DAILY GLEANER in English 12 Apr 85 p 1

[Text]

Agreement was reached yesterday for a phased resumption of work at Appleton Estate in St. Elizabeth, commencing this morning.

Appleton was one of two estates which were on strike as the industry fell into the grips of industrial strife over wages and working conditions. A workers' meeting to discuss the problems affecting the other estate, Worthy Park, is scheduled for the Lluidas Vale All-Age School tomorrow commencing at 10 a.m. at which a decision is expected to be taken on the situation there.

The agreement to end the strike at Appleton which began on March 7, was reached at a meeting between the unions — the BITU and the NWU — and the management in Kingston, which was chaired by the Executive Director of the Sugar Producers Federation (SPF), Mr. Ossie Simpson.

The parties agreed to — a phased resumption commencing today at 7 a.m. and that, workers required for

work were to be advised by 7 o'clock last night; work which will be done commencing today, are repairs to the Number Two Boiler; workers required for Monday will be notified by Friday April 12; all other workers will be advised in due course; it is expected that full resumption in all departments will take place by the latest April 18; there will be no victimization.

It was also agreed that certain other problems at Appleton would be discussed between the union and the management. The parties did not elaborate.

Industry-wide negotiations will resume on April 17 at the Ministry of Labour and in view of this, the meeting scheduled for that date to continue talks aimed at ending the strike at Holland over redundancy payments will be rescheduled.

## Teacher, Civil Servant Demands

Bridgetown CANA in English 1751 GMT 12 Apr 85

[Text] Kingston, 12 Apr (CANA)—Jamaica civil servants and teachers have rejected government's pay offers as too low and are apparently flexing for a fight over the issue. Demands are for increases as high as 80 percent.

The Civil Service Association (CSA) says it has told the Employment Ministry that its members were restive and that unless there were manifest efforts and good faith to conclude negotiations soon it could not be held responsible for any action workers might take in furtherance of their just claims.

And the Jamaica Teachers Association (JTA) told the government that a 10-percent pay offer was an insult at a time when the cost of living is continuing to escalate at an alarming rate.

New salary contracts for government employees are to be effective from the beginning of April, the start of the new fiscal year. The administration is now locked in negotiations with various public sector unions.

The last salary negotiations for public sector workers two years ago resulted in strikes, but the government got its way to replace across-the-board hikes with a policy of giving higher increase to top level employees who it said had

fallen behind. Administrative and technical staffers in the civil service were given increases ranging between 16 and 30 percent in the first year of the contract, and 12.5 percent in the second year.

Lower level employees were asked by the government to hold strain and were given a carry-on allowance of 12 percent or J780 dollars (one Jca dol; 18 cents U.S.), where that was more, in the first year and another 780 dollars in the second.

The government has now offered those categories that got the bigger increases last time 10 percent in each year of the contract. The others would receive 15 percent and 12.5 percent. This we regard as quite unrealistic, said Errol Miller, the CSA's associate secretary.

It has demanded increases of 30 and 20 percent for the administrative and technical workers, and 50 and 30 percent for those who were asked to hold strain in 1983.

On the other hand, the teachers association, with a membership of over 17,000, through a 16-point claim, is effectively demanding an 80 percent across-the-board increase.

At last year's annual conference the association was mandated by its membership to make such a demand and to take any action to achieve it.

Some may say that an offer of 10 percent is attractive, said the JTA's secretary for administration, Pat Robinson, but what you need to look at is that it translates into J14.88 dollars weekly at the lowest level, and J44.94 dollars at the highest. You can also consider the fact that a principal at a teacher's college earns J23,355 dollars annually, she added.

Not long after the last salary increases, government devalued the Jamaican dollar by 43.4 percent from an exchange rate of J1.78 dollars for 1 U.S. and then freed it to slip further. The current exchange rate is J5.50 dollars to 1 American. Prices have soared here and official inflation last year was 31 percent, a little lower than in 1983.

But the government has been constrained by a just-expired International Monetary Fund (IMF) agreement that required keeping public sector wage hikes to within 15 percent as part of the strategy to halve a budgetary deficit that was running at 17 percent of gross domestic product.

The government is committed to entering another programme for which exploratory discussions have begun.

The IMF package also required the elimination last year of over 6,000 public sector jobs and more are expected to go this year.

Prime Minister and Minister of Finance Edward Seaga is to meet next week with labour leaders, and it is expected that unions will take their cue from those discussions on how to react to the wage offers. That is unless he provides the cue tonight, one union official said. Seaga is to make a radio and television broadcast, presumably about the state of the country's fragile economy.



JAMAICA

ILLEGAL AIRSTRIPS SLATED FOR DEMOLITION BY POLICE

Kingston THE SUNDAY GLEANER in English 14 Apr 85 p 1

[Text] Thirty illegal airstrips islandwide have been identified for demolition by police as they continue their drive against ganja traffickers.

Police Commissioner Herman Ricketts told THE GLEANER last week that demolition had started on the illegal strips, with the assistance of the JDF, and was being done on a phased basis. Explosives and traxcavators were being used.

Commissioner Ricketts said anti-narcotics operations did not only involve eradication but also destroying illegal airstrips, and was on-going.

Big Bust

THE GLEANER understands that ganja planes (which are usually light aircraft) can land on "any strip of open land" and that as soon as the illegal airstrips are destroyed by the security forces, they are rebuilt by "drug barons" who also make other airstrips to facilitate the lucrative illicit trade.

Commissioner Ricketts said continuous surveys to pinpoint illegal airstrips were being made by the security forces, and action taken against them.

No statistics on the success of the police anti-narcotics drive was available from official sources up to yesterday.

An indication of the success, however, is that on 25 March the Police Narcotics Squad burned 60 tons of compressed ganja, valued about US\$135 million on the streets of the United States. The ganja was seized in operations over a 12-month period and believed destined for the United States, Canada and Europe.

Since November, about \$1 billion worth of ganja plants in fields islandwide have been destroyed by the Narcotics Squad, THE GLEANER understands. A recent big bust was on 5 April when the Coast Guard seized 14,000 pound of ganja, valued at several million dollars, on a boat off the Runaway Bay coast in St. Ann.

Three Cuban-Americans and two Jamaicans on the boat were arrested on ganja charges.

CSO: 3298/613

JAMAICA

BAKERS CONTINUE PROTEST, DEMANDING GOVERNMENT ACTION

Price Demands

Kingston THE DAILY GLEANER in English 13 Apr 85 p 2

[Text] Bakeries will remain closed until bakers receive a "favourable response" from the government concerning their request for a bigger increase in the price of bread and their profit margin.

Bakers are asking for a roll-back in the price of baking flour and 15 cents more for a 2-lb loaf of bread — taking the price to \$3.50. Government set the price at \$3.25 last weekend.

"We are waiting on the government to make the next move — the ball is entirely in their court," the President of the Bakers Association, Mr. Trevor Ferguson, said.

The bakers position was outlined at a press conference called by the Bakers Association at the Courtleigh Hotel yesterday evening. According to the bakers, their profit margin of 4.78 per cent had been eroded by price increases to 1.93 per cent between April 6 and 10. There had been increases in the price of margarine, yeast and packaging, they said.

According to the bakers, the situation in the industry is expected to get worse as the impact will be felt with the re-opening of schools next week. The West Indies Yeast Company is expected to close over this week-end because of the closure of the bakeries. The Flour Mills is also expected to be affected soon because of the pile-up of flour. The bakers use 90 per cent of the flour produced by the Mills.

Since the announcement of the price increase on April 6, the bakers have been taking protest action by not baking any bread. They have complained about the new price of \$90 for a 100-lb bag of baking flour and the profit margin to be received from the product. This, they say, does not allow them to operate in a viable position.

Mr. Ferguson said that at a meeting on Thursday the decision was taken to remain closed and to refuse to buy the flour for \$90 per bag until the Minister of State in the Ministry of Industry and Commerce, Hon. Karl Samuda, could look at a more realistic increase in the price of bread or reduce the price of flour to \$82 per bag. He said the bakers found it impossible to operate at the 1.93 per cent profit margin because between April 6 and 10 there had been an 11 per cent increase in the price of margarine; 15 per cent increase in the price of shortening; yeast went up by \$4.50 per lb and packaging went up by about three cents per loaf.

He explained that the margin was 4.78 per cent which meant that they would be making 13.38 cents on a 2-lb loaf of bread but the increases had brought them to a position where they were making only 5.6 cents on the 2-lb loaf. He said that they could not operate viably on the increase given. Mr. Ferguson said there was "no way that bread could be retailed at \$3.25 and \$2.93 wholesale and flour be supplied at \$90 per bag." Flour represented over 64 per cent of the ingredient cost in bread. "If we are not closed now we will be closed later on," he said.

The industry was faced with more increases, he said, because the Bustamante Industrial Trade Union which represented the majority of workers, was seeking an increase in wages on the grounds that the bakers were receiving an increase in the price

of bread. But, according to Mr. Ferguson, the increases had "put the industry under siege and it is no longer possible to operate."

A few small bakers were baking and selling retail, he said, pointing out that they had low overheads and were those who had identified themselves as ones who could pay the distributors what they were asking.

The Bakers President said there were three options open to the government. These were to reduce the price of flour from \$90 to \$82 and put the bakers in a viable position; grant a "fairly realistic" increase of 15 cents per loaf which would make the bakers viable, and to decontrol bread.

Option one, he said, had been eliminated by the Minister who had indicated that he was not willing to do anything on the price of flour. He said the Association would not recommend decontrolling bread as this would mean a price close to \$3.75 per 2-lb loaf instead of the \$3.25. Option two was the one recommended, he said, pointing out that the seriousness of the situation should be looked at by the government — "it is equally their responsibility as ours to see the industry back to normality"

#### Retailers' Stand

Kingston THE DAILY GLEANER in English 13 Apr 85 p 2

[Text]

Some retailers have said that they will refuse to sell bread to consumers unless it comes to them at \$2.83 which represents a 15 per cent mark-up. At present there is no bread on the shelves as the Bakers Association is continuing their protest against the new price of \$90 for a 100-lb bag of baking flour by not baking any bread.

A spokesman for the retailers, Mr. Wallace Campbell, Manager of Lenn Happ Supermarket, told the Gleaner yesterday that "the bread will spoil" on the bakers or the distributors if they intended to sell it to them (the retailers) at \$2.93 as they would not be accepting that price.

He said that at a meeting on April 3 between members of the distributive trade, bakers, retailers and Minister of State in the Ministry of Commerce, the Hon. Karl Samuda, the bakers were the only party in the meeting who did not want to accept a cut in their profitability even though it had been agreed that the retailers were in the most disadvantaged position with the increases as they were.

"As far as we the retailers are concerned we will not be budging because it is felt that the present trend of decontrolling of basic items seems to be the future and we do not want to be accused later on of being those who increase the price."

JAMAICA

REPORTAGE ON INTERNATIONAL YOUTH CONFERENCE PROCEEDINGS

PNP, WPJ Demonstration

Kingston THE SUNDAY GLEANER in English 7 Apr 85 pp 1, 2

[Text] A demonstration by a group of youth against what they said was the "bogus" International Youth Conference taking place downtown Kingston was yesterday broken up by police, according to the People's National Party and the Young Communist League of the Workers Party of Jamaica, whose members were involved in the protest.

The demonstrators were assembling at the corner of Duke and Harbour Streets when "a special squad of policemen converged on the gathering firing indiscriminately at the crowd, in the air and firing tear-gas canisters," the PNP statement said. "A number of peaceful demonstrators were beaten and others arrested."

The general secretary of the Jamaica Union of Tertiary Students, Delano Franklin and three members of the Young Communist League were detained, according to the

WPJ.

The demonstration was led by the leadership of the PNP Youth Organisation and included a vice president of the party and the general secretary, the PNP said.

"The democratic rights of the Jamaican youth and people have never been more threatened, even while Mr. Seaga and Mr. Anderson make sanctimonious speeches at the opening of the IYC about freedom of speech, freedom of assembly and the rights of youth. Today's events show the hypocrisy of those statements," the PNP said.

The Police Information Centre said yesterday evening it had no information on the incident.

## Seaga Opening Address

Kingston THE SUNDAY GLEANER in English 7 Apr 85 pp 1, 2

[Excerpts]

**T**HE INTERNATIONAL YOUTH CONFERENCE (IYC) establishes the fact that no single ideology has a monopoly-hold on the minds of the youth of the world, the Prime Minister, the Rt. Hon. Edward Seaga, said as he opened the four-day conference in Kingston yesterday.

"While it is true that some youth would seem to prefer the security offered by the state from the womb to the tomb, it is equally true that others — and I believe that this constitutes the majority of young people throughout the world — value the challenge of relying on their own creativity and initiative to make their way in the world," Mr. Seaga said.

Mr. Seaga received a standing ovation from the large crowd each time his name was called prior to and after his address.

### Democracy

Mr. Seaga called on the conference to discuss and examine in terms of definition "the very word democracy"; as all kinds of systems espoused the use of the label including some to the farthest left of the ideological spectrum.

"What do we mean by a democratic system? Is it a Parliamentary Democracy with a Parliament elected on the basis of one man, one vote; and, must it be based on a choice between political parties? These are questions to which thought must be given," the Prime Minister suggested.

Mr. Seaga continued: "Furthermore, experience shows that the democratic system, however defined, lays the foundation for a compatible type of economic system. A closed and rigidly controlled economy cannot function within a democratic framework of individual choice and freedom to dissent. Such a system is more compatible with tight control of personal freedoms.

"The economic system which best suits the concept of parliamentary democracy is one which permits the freedom which the democratic system enables, to be acted out in private institutions, using the motivation of reward for personal initiative.

"Inevitably, the question of reliance also has to be addressed - the choice being reliance on self or reliance on the State. Some ideological systems are structured around reliance on the State and, as we move further to the left of the ideological spectrum, the element of State control increases correspondingly. In a democratic society, efforts are directed to enhancing self-worth and rewarding the individual in his quest for self-reliance.

"I have alluded to these varying approaches and sought to illustrate some of the areas of divergence with which I believe you will be concerned during the course of this conference. What I do hope is that you will take this opportunity to devote thought to elaborating on the principles which support the basic freedoms that we all enjoy so that there can be a deeper conviction and thereby a greater degree of preparedness to defend these principles against those competing systems.

"What this Conference does is to afford you the opportunity of thinking on these important issues and, for the first time in the arena of a global conference, to discuss them dispassionately."

Mr. Seaga said that accusations had been levelled from various quarters that what Jamaica had done in sponsoring the Conference was to divide the youth of the world into ideological camps.

"This I totally reject," Mr. Seaga said. "The fact is that the youth of the world is already divided in terms of subscribing to principles which espouse either personal freedoms on the one hand or State control on the other, with varying shades of difference in between."

## Seaga Meetings With Delegates

Kingston THE DAILY GLEANER in English 8 Apr 85 p 3

[Text] Prime Minister Edward Seaga began a series of informal meetings on Saturday with delegates representing global regions and political issues at the International Youth Conference which opened at the Government Conference Centre that morning.

The discussions were initiated by Prime Minister Seaga to foster a greater exchange and understanding of issues affecting youth, a release from Jamaica House said.

The Prime Minister and the Hon. Errol Anderson received the Minister of Youth of Canada Mr. Andree Champagne and the youngest Member of Parliament in Canada Ms. Carole Jacques, for discussions of the issues involved in the Conference, particularly the need for the creation of a permanent institution from this conference to ensure a continuation from the Kingston meeting, of the global effort to provide a forum for the world's democratic youth.

Further discussions took place yesterday with delegates from Nigeria, Great Britain, Northern Ireland, the United States and Canada who were invited by Mr. Seaga to attend Easter Service with him at the St. Andrew Parish Church and later to breakfast at Vale Royal. The Discussions focussed on youth programmes in these countries as well as issues related to democracy and the institution for democratic world youth.

At a similar breakfast meeting scheduled for this morning, the Prime Minister will meet with delegates from countries currently experiencing political conflicts. This group will include representatives from Poland and Afghanistan, Egypt and Israel, Chile, El Salvador, Nicaragua and African front-line states among others.

The final breakfast discussions will take place at Jamaica House on Tuesday to which Mr. Seaga has invited representatives of other global regions.

Discussions at all meetings will encompass talks on democratic ideals, and other wide ranging topics related to youth and youth programmes.

Ministers of Government Errol Anderson, Chairman of the Organising Committee for the IYC; Senator Ossie Harding, Minister without Portfolio, Senator Olivia Grange Executive Producer of JAMFEST '85 and representatives of the Jamaican delegation to the IYC will also participate at various times in the discussions.

## Trinidad Walkout

Kingston THE DAILY GLEANER in English 10 Apr 85 p 3

[Text]

The 13-man delegation from Trinidad and Tobago walked out of the International Youth Conference yesterday following disagreements over a draft document which was to have been presented at last night's plenary session by the Caribbean caucus.

However, at a closed stormy meeting of the Caribbean caucus it was announced by a leading member of the Jamaican delegation that the document had not been submitted to the Secretariat for inclusion on the plenary agenda.

Up to press time the Caribbean group was locked in the meeting, arguing whether they should as a bloc present another document to the conference entitled "The Caribbean as an International Zone of Peace."

Trinidad and Tobago's walkout followed the cancellation of a press conference called in the afternoon to discuss the issue, according to a spokesman for the delegation. They opted to withdraw from both the Caribbean caucus and the conference as a result of the "refusal of some

delegates to accept the draft in its original draft," he said.

The spokesman told the *Gleaner* that up to early yesterday everything went well with the draft in which the Trinidad and Tobago delegation and other "dissatisfied" delegates had put in lot of hard work.

But he added a senior member of the Jamaican delegation called a meeting of the Caribbean group to convince members to withdraw the draft because it might cause some controversy in the conference.

A rippling effect of Trinidad and Tobago's walk-out was also the slackening of support for the draft document of certain Caribbean delegates.

The document which the *Gleaner* understands dealt with the problems of Blacks in South Africa and apartheid was also termed by the Jamaican delegation member at the meeting as a subject that would spur controversy among other delegates to the conference who "came to jeopardise the proceedings."

## PNP Criticism of Government

Kingston THE DAILY GLEANER in English 11 Apr 85 p 2

[Text]

The PNP spokesman for youth, education and sports, Mr. Carlyle Dunkley, on Tuesday expressed concern that the Government was not taking any action to cushion the effects that the present downturn in the Jamaican economy was having on young people.

At a press conference at the party's headquarters, Mr. Dunkley also expressed concern with what he described as the "disarray in Government's policies regarding youth and their welfare."

Mr. Dunkley said that the main problem affecting young people in Jamaica was unemployment and about 50 per cent of those unemployed were young people. He spoke of the hardships being experienced by youths who were often unskilled and therefore the first to be laid off. He said that the problems of youths should be highlighted during the International Youth Year.

He pointed to Government's human

resources development programmes which, he said, were not aimed at training young people. He cited as example, the closing down of some 24 of the 32 trade training centres and described this move as a "retrograde step." The closure of these centres, Mr. Dunkley said, was insensitive, as at this time when there should be a premium on training, the Government had instituted a severe cut-back of these trade centres.

He said that in all the areas affecting youth there was disarray, insensitivity and incompetence. He cited as examples, the closing of the Jamaica School of Agriculture which he said, had had a depressing effect on the educational sector; the "Ferncourt Affair"; the uncertainty surrounding the Jose Marti School and the controversy surrounding the awarding of the scholarships from South Carolina University.

Turning to the HEART programme, Mr. Dunkley said that while his party

supported the programme in its broadest terms, he felt that some of the financial support which it received could be channelled into community colleges and that some of the HEART academies could be used as the foundation for the development of more community colleges.

On the issue of sporting activities for youths, Mr. Dunkley criticised the Government for not doing anything to provide assistance for young people who wish to engage in sporting activities.

Quoting the prices of some basic sporting equipment, which range from between \$110 to \$180, Mr. Dunkley called on the Government to provide a subsidy on sporting goods and equipment. He urged the government not to divest itself of the responsibility of leadership of youths by relying exclusively on the recently appointed parish associations. He also called for closer links to be established between the Government and various sporting associations.

CSO: 3298/612



JAMAICA

REPORT ON SEIZURES OF GANJA IN 1984, SO FAR IN 1985

FL230206 Bridgetown CANA in English 1655 GMT 22 Apr 85

[Text] Kingston, 22 Apr (CANA)--Jamaica police have destroyed nearly 1,000 acres of marijuana and seized 100,000 pounds of the cured narcotic so far this year, the official JAMPRESS News Agency reported. They have also confiscated three planes and three boats engaged in marijuana trafficking.

According to the agency, the achievement indicated that the anti-drug drive was meeting success despite the limited resources in terms of equipment, transport personnel, and money for undercover work. Officials said that, at the current rate, the figures for 1984, which were a significant success, would soon be surpassed.

JAMPRESS, quoting Sam McKay, the deputy commissioner of police in charge of crime, said that in 1984, some 1,094 acres of grown marijuana fields were destroyed, 450,585 pounds of the drug seized, and 4,451 persons arrested. Of those arrested, 471 were foreigners, mostly Americans.

JAMPRESS did not give a figure for the amount of drug-related arrests so far this year, and the information was not immediately available from the police. Some 16 U.S.-registered aircraft and four boats were captured in 1984.

The acreage of ganja (the local name for marijuana) plants destroyed, cured ganja seized, and the number of persons arrested was the highest in any one calendar year, McKay was quoted as saying.

By comparison to 1984 figures, 865 acres of marijuana were destroyed in the previous year, 189,042 pounds of the cured drug seized, and 4,250 persons arrested.

These figures were significantly higher than most of the statistics given for the years going back to 1979, and their release was apparently aimed at showing that the government and the security forces were serious about fighting the marijuana trade.

Jamaica is said to be the third largest supplier of marijuana to the United States, after Colombia and Mexico, and the Edward Seaga administration has been put under increasing pressure from Washington to crack down hard in the face of criticisms by some U.S. legislators who claim that Kingston was not doing enough to curb the trade.

Most of the marijuana shipped from Jamaica is believed to be moved in light aircraft landing at illegal strips which dot the island, but more recently there has been smuggling of large quantities of drug aboard the national carrier Air Jamaica, which has incurred for the airline heavy fines from U.S. Customs.

Last year, the government passed legislation providing much stiffer penalties for aircraft invading the country's airspace and to give the security forces greater powers to destroy illegal airstrips. Recently, domestic aerodromes were put under the control of the army.

McKay said these measures, increased surveillance of private airstrips, and increasing pressure on sea trafficking by the Coast Guard were forcing dealers to find more subtle means to move their drug.

The ganja smugglers are exploiting the commercial airlines and shipping, but we are taking steps to plug these holes, McKay was quoted as saying.

But officials here have stressed that the small air wing of the Jamaica Defence Force (JDF), with its few planes and the few boats available to the Coast Guard, makes anti-drug surveillance difficult. These same vessels are involved in everything, including air and sea rescue and moving emergency medical cases in remote areas.

Deputy Commissioner McKay said keeping private and illegal airstrips inoperative was the most difficult aspect of fighting the marijuana trade. As soon as some of the airstrips have been demolished they are put into use again because the government does not have the resources to maintain static guards at all private airstrips, he said. Some producers move to other areas and establish new fields and airstrips when their airstrips are destroyed. We must have to continue blowing them up, McKay said.

A recent aerial survey showed a sharp decline in the number of marijuana cultivations as a result of the crack down since the beginning of last year.

CSO: 3298/613

JAMAICA

BRIEFS

**ARMS SEIZURES**--As part of a renewed intensive, islandwide campaign by police to get in illegal guns, two M-16 assault rifles and a M-14 rifle and 43 rounds of ammunition were seized by Flying Squad detectives in a swoop on premises at Matthews Lane in downtown Kingston on Thursday morning, the Police Information Centre reported. A 20-year-old woman, Carol Corbin, an occupant of the premises, was subsequently arrested and charged with illegal possession of firearms and ammunition. The PIC said the raid was around 9:30 a.m. and this latest find resulted in stepped up activities to recover arms being held illegally. Police also recovered two other firearms on Thursday in other operations in which one man was shot dead in a shootout, and a robber/rapist suspect held. [Excerpt] [Kingston THE DAILY GLEANER in English 13 Apr 85 p 2]

**YOUNG FARMERS PROJECT**--Establishment of a "young farmers' project" in certain communities, with the major objective of "attracting young people back into agriculture and accelerating the utilization of new agricultural techniques," is to be undertaken as a joint effort of the Jamaica Agricultural Society and the 4-H Clubs, in celebration of Farmers' Month 1985. Announcement of plans for setting up the young farmers project, was made by the President of the JAS, Senator Courtney Fletcher, as he spoke during the launching of Farmers' Month at the special JAS Board meeting, yesterday. He said the project was to be assisted by Rural Ventures Incorporated, a U.S.-based organisation with vast experience in the implementation of agricultural projects, said Mr Fletcher: "For years, certain board members have been highlighting the importance of efforts to attract the young people into agriculture and into the JAS; and I am very happy that at long last this is being undertaken." [Excerpt] [Kingston THE DAILY GLEANER in English 4 Apr 85 p 3]

CSO: 3298/613

PERU

#### FOREIGN MINISTRY WILL SET USSR FISHING TREATY REVISION TALKS

Lima EL COMERCIO in Spanish 9 Feb 85 p A-4

[Text] If agreements satisfactory to Peru are not reached concerning the Soviet Union's massive fishing catch in waters adjacent to our 200-mile territorial limit, as well as other related issues, this country will denounce the treaty.

Fishing Minister Ismael Benavides stressed this possibility as he referred to the agreement and explained the terms of the fishing treaty that was signed with the USSR during the previous military regime, "which granted Peru no share in that catch." A revision of that treaty is being advocated now.

Basically, the Peruvian government and its people continue to be concerned "by the Russian fishing fleet's full and nondiscriminatory access to Peruvian ports and facilities."

He mentioned that this situation also affects Chile and Ecuador and that the case has been brought before the South Pacific Commission, which is composed of those two countries, as well as Peru and Colombia.

Referring to procedures that would be followed in making Peru's claims, Benavides was clear in stating that the treaty with Russia is very extensive and cannot be explained in detail in a press conference. However, he said that the treaty "will guarantee our country a more substantial share of any future catch, as well as the defense of Peruvian rights and the protection of its maritime resources."

For reasons related to our foreign relations, he said, the Foreign Ministry would establish the "modus operandi" and the dates for talks with the USSR about this matter.

#### Treaty With Mexico

In other matters concerning fishing, the minister announced that two Mexican biologists would arrive this week to board the "Humboldt" under the terms of a new cooperative fishing program between Mexico and Peru. Peru will also send technicians to that country.

With respect to a similar program with the United States, he said that there is nothing concrete at this moment and talks are not being held. However, he stressed the scientific and technical support that the U.S. is providing in this field through IMARPE [The Sea Institute of Peru], as well as research on the phenomenon of "El Nino."

8631

CSO: 3348/396

PERU

## PETRO-PERU LACKS FUNDS FOR EXPLORATION DESPITE SURPLUS

Lima EL COMERCIO in Spanish 5 Feb 85 p A-4

[Text] The reduction in Petro-Peru's share of income from gasoline and fuel oil sales (from 55 percent in 1983 to 38 percent in 1984 and 31 percent in 1985) would make it problematical for the enterprise to obtain the \$186 million for investment that was approved for it this year.

The Ministry of Energy and Mines itself estimated that Petro-Peru needed to invest \$800 million annually in exploration.

Spokesmen from the company said that the state petroleum enterprise is, generally speaking, in sound financial condition.

The enterprise noted that it showed a surplus of 206 billion soles during the period January to July of 1984, which is equivalent to 0.9 percent of the GNP.

This was achieved with growth in sales income, domestic as well as foreign, which in turn can be explained by the increase in volume sold and more vigorous price readjustments.

Domestic consumption increased 2.5 thousand barrels a day over the previous year.

During the first half of 1984 (these are the only confirmed figures available), the nation's production rose 15.25 thousand barrels a day over the same period of 1983.

This was because production increased in areas operated by the state enterprise. However, a similar increase did not occur in areas leased by other companies.

Foreign sales increased 26 percent in constant terms over the first half of 1983. The increased exports were composed of petroleum derivatives, while the foreign sales volume of crude oil showed a corresponding decrease.

## Positive Figures

Petro-Peru's cash flow in billions of soles between January and June can be seen in the following comparative chart:

|                            | 1984<br>\$<br><u>billions</u> | Percent<br><u>GNP</u> |
|----------------------------|-------------------------------|-----------------------|
| Current income             | 2,532 billion soles           | 11.1 percent          |
| Current expenditures       | 2,185 billion soles           | 9.6 percent           |
| Savings in current account | 338 billion                   | 1.5 percent           |
| Capital income             | 28 billion                    | 0.1 percent           |
| Capital expenditures       | 160 billion                   | 0.7 percent           |
| Financial surplus          | 206 billion                   | 0.9 percent           |

Of the 2 trillion 523 billion soles that Petro-Peru received as income, 1 trillion 13 billion were turned over to the state for selective consumption tax, vehicle license plate tax, 10 percent in rights and 12.5 percent in petroleum tax to four departments.

According to Petro-Peru, one outstanding aspect of its financial picture is the use it has made of its foreign currency deposits, which it keeps on deposit in the Banco de la Nacion to amortize part of its short-term foreign debt.

It also deposited \$20.3 million in an untouchable account in the Central Reserve Bank for the amount of its foreign debt service.

8631

CSO: 3348/396

PERU

## INDUSTRIALIST PROPOSES PRIVATE DEVELOPMENT ECONOMIC MODEL

Lima EL COMERCIO in Spanish 9 Feb 85 p A-15

[Text] "Peru has wasted nearly two and a half decades of industrial growth as a result of neoliberal state-controlled development plans which have resulted in production levels similar to those of 1960."

This fact was explained the night before last by engineer Ernesto Lanata Piaggio, speaking before an audience of businessmen from the ADV [Peruvian Sales and Marketing Managers Association]. Lanata Piaggio is president of the Institute for Economic Research of the National Association of Industries.

The talk, which was given in the auditorium of the Sanitas Institute, is part of a series of technical lectures planned by that institution, whose president is Alejandro Peroni. The title of Lanata's talk was "Toward a National Plan."

The plan consists of an econometric design based on the development of agriculture and industry which he calls "self help without foreign indebtedness."

The speaker said that, because 1985 is a year of political transition, it will be another crisis year in which investment and production will continue to fall, but that 1986 could be the key year if the new leaders know how to plan for development and inspire confidence in the private sector.

He stated his disagreement with the recommendations of the International Monetary Fund, which he considers are "tremendously recessive." We can measure the impact of the quantification of recommendations based on monetary and credit policies and exchange and interest rates in a catastrophic drop in production, especially in the manufacturing and agriculture sectors, not to mention the consequences to labor, which are unpredictable.

Faced with this situation, he said, there are solutions. He went on to explain his hypothesis, based on the implementation of five points.

These are: modernization of agriculture and the colonization of territories on the other side of the Andes; development of infrastructure, principally of large hydroelectric power plants and transverse highways to interconnect various parts of the country; the development of industry to produce capital and intermediate goods and agribusinesses for food as well as for human use,



and the automotive industry, which he called the scapegoat of liberation; the creation of new urban centers and the creation of scientific and technical institutes.

As a first step toward development, the plan envisions the creation of two basic agriculture taxes which would serve as a multiplying factor for that sector and the rest of the economy by generating savings and foreign currency income. By the end of this century, these things would make this country self-sufficient in food production.

Some \$150 million annually would be collected through these taxes (territorial tax and water surtax) which would permit us to begin high-tech "green revolution" programs yielding \$3 billion in foreign currency by the end of the century, which would make us self-sufficient in food production.

After this modernization of agriculture, developing industry and the rest of the sectors would be much more feasible, he said.

Touching on industry, Lanata, who has been president of the SNI [National Association of Industries], stated that there is no such revitalization going on nowadays and that the manufacturing companies are dying, not from the sudden death of heart attacks, but from pernicious anemia.

This anemic condition represents the indebtedness shown in an average index of 56 percent compared to the value of assets. In 1980 that index was 35 percent.

Although industry needs the credit from the financial sector which monetary policy is denying it, the only thing this attitude does is to prolong their agony, he said. What the productive sectors need is to broaden the consumers' market in order to truly recover from this pernicious anemia, which could cause their extinction through bankruptcy.

8631

CSO: 3348/396

PERU

BRIEFS

RUSSIAN FISHING CREWS ROTATING--Hundreds of Russian fishermen continue to join the fishing fleet operating along the edge of the 200 mile offshore limit of our territorial waters. Yesterday 132 crew members arrived to replace a similar number of fishermen who have completed their tour of duty. Meanwhile, the Foreign Ministry is preparing to initiate talks about a new treaty reducing the allowable number of fishing boats. [Text] [Lima EL COMERCIO in Spanish 11 Feb 85 p A-6] 8631

CSO: 3348/396

ST VINCENT AND THE GRENADINES

DANES DEPORTED IN DISPUTE OVER LAND OWNERSHIP

Orange Hill Controversy

FL051858 Bridgetown CANA in English 1823 GMT 5 Apr 85

[Text] Kingstown, 5 Apr--St Vincent has begun putting out 30 Danes in the wake of a dispute here over the purchase by a group of them of the island's largest private agricultural estate.

Seven of the Scandinavians who had been teaching at the Danish-run Richmond Vale Academy here since 1980 left yesterday after government refused to renew their residency and work permits. Another two were scheduled to leave today and five others flew out for the same reason three weeks ago.

Prime Minister James Mitchell made the announcement in a TV address last night. He said that a further seven will have to leave on Sunday, and the last nine should be out of the country by next month.

Relations between the Danes and government soured last month after ten of them became involved in five companies that bought the 3,000-acre Orange Hill Estate in a controversial deal that irritated Mitchell.

The prime minister said the 10 had circumvented the country's aliens land holding regulations in order to buy the estate without the need to get an aliens land holding license from government.

The estate had been owned by the wealthy Barnard family for the past 79 years. Both government and opposition factions here opposed the sale, unhappy that so much of the island would fall into foreign hands. And Mitchell said government would take over the lands.

In what he described as a legal maneuver, Mitchell accused the foreigners of behaving irresponsibly. He said they tried to pre-empt and embarrass government by doing things for which they had no authority under the work permit or residence regulations.

Since news of the sale of the estate broke early last month, Prime Minister Mitchell has been under pressure to acquire it. The preliminary notification for the acquisition has already been published, but there have been calls for government to move more swiftly to take over the estate. Last night Mitchell said government was not going to be rushed into taking hasty actions or making mistakes.

He explained that the preliminary notification of acquisition published three weeks ago was to enable the country's chief surveyor to enter the estate to carry out a survey for the purpose of drawing up a plan. This having been completed, he said, the first notice of acquisition will next be published on Tuesday with the third and final notice scheduled for publication within three months of the first. Following the third and final publication, the acquired property will become vested in the Crown (government), the prime minister said.

#### Land Reform Issue

Kingstown THE VINCENTIAN in English 22 Mar 85 p 1

[Front Page Editorial]

[Text] Now that the government of St Vincent and the Grenadines has stated clearly and unequivocally its intention of acquiring the Orange Hill Estates we will make our first comment on the issue. All our previous references were to the news gleaned in our efforts to bring the whole story to our readers.

As a matter of fact we never thought that 3,000 acres of our limited arable land would be allowed by Prime Minister James Mitchell to pass into foreign hands. Our quandary was how he would be able to finance the acquisition, provision for which we knew our laws provided. It seemed to us that the acquisition could be done in either of two ways. By outright takeover, if the Danish Foundation that wanted to buy Orange Hill was prepared to cooperate, through a limited lease in an arrangement that safeguarded local ownership while utilising training and managerial skill provided temporarily by the Danes.

The Cabinet has decided on the former course.

There is no doubt that the thought of foreigners owning Orange Hill was objectionable to most Vincentians. Certainly communications reaching THE VINCENTIAN make this sentiment clear. They have continued to come even since the publication of Cabinet's decision to acquire: One critic withdrew his letter as soon as the decision was made known. Another letter, actually written to the editor 3 days after THE VINCENTIAN itself had published the acquisition statement, came too late for inclusion on the letter page. An article, probably written before, was included by special request in spite of the government's action. All add up to the unpopularity of the thought of our land passing into the control of aliens.

It is obvious that since the legal manoeuvre to which Mitchell referred did not contravene the law in any way there is a loophole in the Alien Land Holding Regulation (Act) that must be plugged. Vincentians are rather disappointed that the loophole was used on the Danes' behalf by a Vincentian lawyer.

It would appear that James "Son" Mitchell was put on the spot by friend and foe. We are sure that the event has increased his wisdom and hope that Vincentians will appreciate his determination to abide by his land reform pledge.

CSO: 3298/614

ST VINCENT AND THE GRENADINES

UNION, WATER AUTHORITY WAGE TALKS REVIEWED

Kingstown THE VINCENTIAN in English 22 Mar 85 p 6

[Text] The Commercial Technical and Allied Workers' Union (CTAWU) began negotiations in March 1984 on terms and conditions of work of Central Water and Sewerage Authority (CWSA) employees.

A series of meetings was held, and when no agreement was reached the Labour Commissioner was asked to intervene.

Deadlock continued on some points, principally the question of the level of salary and wage increase; and the workers took industrial action, by instituting a "Go Slow." This had detrimental effects on the already poor financial position of CWSA, which operates on an overdraft facility with the National Commercial Bank (MCB) amounting to over 3.0 million dollars. Therefore any commitment to increase expenditure, for example to meet higher wages and salaries, must be approved by the government.

After taking office in July 1984, the present government appointed new members to the Board of CWSA. Among the matters given priority were the resolution of the dispute with CTAWU, and the study of any effect increase in pay would have on the financial position of the authority.

The workers called off the "Go Slow."

Dialogue with the government ensued and the workers were kept informed by the chairman from the beginning of 1985.

On 20 February, the government approved an increase to CWSA workers of 10 percent. On 1 March CWSA made the following salary and usage offer to CTAWU: 1984 5 percent, 1985 nil, 1986 5 percent. The size of the offer is based on: included:- (1) inability to pay more; (2) the boost in take-home pay already received by workers from the change in the Income Tax Structure from 1 January 1985. On 4 March, CTAWU met with the workers and subsequently advised CWSA that the offer had been rejected.

On 6 March, in response to a request, the Board met a delegation from the Union, at which the latter (1) repeated its rejection of the 10 percent increase, (2) counter-proposed a 30 percent increase.

The Board restated its position, and presented details of significant increases in pay received by monthly paid workers, amounting to more than 10 percent per month in 1985 as a result of the Income Tax changes introduced by the government.

CTAWU requested the Board to submit details of the information on both daily and monthly paid employees.

The Board agreed to supply the information by 11 March and now awaits the further reaction of the Union.

CSO: 3298/614

TURKS AND CAICOS

GOVERNMENT CHANGES REPORTED; PDM CALLS FOR PROBE

Legislative Council Action

Grand Turk TURKS & CAICOS NEWS in English 28 Mar 85 p 1

[Text]

**THE NEW** Chief Minister of the Turks and Caicos Islands is 72-year-old Nathaniel ("Bops") Francis, formerly Minister of Public Works, Utilities and Labour and Deputy Chief Minister.

Five days after the resignation of former Chief Minister Norman Saunders, under arrest in Miami on drugs trafficking charges, Mr. Francis was elected to succeed him by the unanimous show of hands of the five elected Progressive National Party members at an emergency session of the Legislative Council in Grand Turk on Wednesday.

The motion to elect Mr. Francis was proposed by Deputy Speaker Ariel Misick — who had been talked of as a possible challenger to his veteran colleague — and seconded by Health and Education Minister Robert Hall (33), who retains that portfolio in the new Executive Council and is also to be the new Deputy Chief Minister.

A move by the three opposition People's Democratic Movement members to put forward their leader, Clement Howell, was outvoted. Even with Mr. Saunders and two colleagues absent, the PNP still have a 5-3 majority. Mr.

Howell's proposal that the vote be made by secret ballot was ruled out of order by Speaker William Mills.

The brief meeting — at 15 minutes thought to be one of the shortest ever — brought the first clash between the new Chief Minister and the Opposition. Mr. Francis turned down the PDM request that he give a short address on taking office and allow the Leader of the Opposition to reply. He said that he had reason "on this occasion" not to address the House.

Announcement of the new ExCo membership came later from Governor Christopher Turner in an official statement which said that on the advice of Mr. Francis he had also appointed Mr. Hall, Alden C. Durham and Mr. Misick as members of ExCo.

Mr. Hall resumes his former responsibilities as Minister of Health, Education and Welfare and will also act as Chief Minister when Mr. Francis is absent.

Mr. Durham (35), member for South Caicos, South, is the new Minister of Public Works, Labour, Utilities and Fisheries. He was previously Parliamentary Secretary to the Chief Minister.

Mr. Misick (33) becomes Minister of Commerce, Development and Tourism, taking over the portfolio of Stafford Misick, also detained in Miami, and adding to it the tourism portfolio, previously attached to the Chief Minister's office.

The Governor said that the first meeting of the new ExCo would take place on Thursday (yesterday).

## PDM on Corruption

Grand Turk TURKS & CAICOS in English 28 Mar 85 p 1

[Text]

**LEADER** of the Opposition **Clement Howell** told the *News* this week that the People's Democratic Movement are to call on the British Government to appoint a royal commission to enquire into corruption in the Turks and Caicos Islands.

Earlier, PDM LegCo member **Lewis Astwood** told the *News*, "We want to be rid of all corruption — which is why we don't want to be part of a coalition. The stain would remain on the group."

Mr. Howell did not mention the call for a royal commission in the speech he had prepared for Wednesday's emergency meeting of the Legislative Council, but which he was not allowed to deliver.

Quoting a local preacher's saying, "When the head is sick, the whole body is sick," Mr. Howell said that the best thing for the country would be for all members of the Progressive National Party to resign and put the matter back in the hands of the electorate.

Accusing PNP ministers of "a line of hypocrisy over the years," he quoted a December, 1982, remark of then newly-elected Chief Minister Saunders: "When anyone of us reduces ourselves to the level of corruption, this government will grapple with it."

"Another minister called for the U.S. to step up its assistance to the Turks and Caicos and to use a different approach to help in the drug war, but now that the U.S. has stepped up its assistance that same member calls it a trap set by the Governor," Mr. Howell said.

## Support for Saunders

Grand Turk TURKS & CAICOS NEWS in English 28 Mar 85 p 1

[Text]

**THREE** of four cars and trucks belonging to staunch supporters of **Norman Saunders** have been going around Grand Turk since last Friday displaying protest posters. "Turner go home," "An eye for an eye," and "Down with colonialism" were some of the messages.

The organisers, including contractor **Eddie Seymour**, were hoping that the posters they had distributed would be displayed by people all over town, but five days later there were still only three or four cars participating in the campaign.

"I know Mr. Saunders is innocent," said **Ben Kennedy** as he stood in front of his poster-covered truck. "I've campaigned for him for six years and I've never heard him talk of drugs, he was against it. It is a disgrace the way he has been treated."

There was talk over the weekend of a peaceful demonstration outside the Governor's residence. This never materialised, however, and the mood in the Islands remained calm.

CSO: 3298/594



TURKS AND CAICOS

PAPER DECRIES GOVERNMENT ATTEMPT TO GAG PRESS

Grand Turk TURKS & CAICOS NEWS in English 28 Mar 85 p 4

[Editorial]

[Text]

**OF ALL THE** unhappy sequence of events which have beset these Islands over the past three weeks, nothing has shocked or dismayed us more than the threat that Government might seek to prevent the distribution of last week's issue of this newspaper. The threat was conveyed to a member of our staff by the Attorney General's department at a time when no-one in the Islands could have known what the issue's contents would be because it had not yet gone to press.

These have been traumatic weeks, but that is no reason for Government to take leave of its senses and lash out irrationally at the messenger which it anticipates to be the bearer of bad news. When we consider the implications we alternate between steaming rage and wondering whether we have plunged with Alice into Wonderland, with a furious Queen yelling "Off with his head" and ordering "Sentence first — verdict afterwards."

We conjure up the vision of the Attorney General appearing in a Wonderland court to apply for an injunction to prevent the *News* being distributed. The judge, looking something like the Mad Hatter, asks, "Why do you want to stop this newspaper being distributed?" "Because of something that might be in it," says the Attorney General . . . After this, our vision fades like the Cheshire Cat, leaving only the grin, and we hear Alice saying, "Stuff and nonsense."

If it seems we are being frivolous it is only because the alternative is to get mad. It incenses us to think that the *News* should be targeted for such unprecedented action. What traitorous and disruptive matter did someone in Government fondly imagine that our issue last week was likely to contain? If we published a scurrilous, muckracking rag we would not have been so shocked, but in nearly three years of publication we have striven always to be accurate recorders and responsible commentators in our coverage of the Islands.

It does not need great legal knowledge to know that there are well-established avenues of legal redress, and punishment, against anyone who publishes something defamatory or seditious. We face these constraints with every issue, and accept them as reasonable safeguards to which only the irresponsible and malicious could object.

What ought to be at least equally well known — for it apparently can be forgotten or overlooked in high places when the pressure is on — is that the Turks and Caicos Islands Constitution includes a section guaranteeing freedom of expression. We suggest that all in Government should read, mark, learn and inwardly digest this section, so that we have no more threats of pre-publication censorship. Otherwise, none of us will be sure whether we are in Wonderland or in Soviet Russia.

CSO: 3298/594

TURKS AND CAICOS

ANALYSIS FOCUSES ON SHORTCOMINGS OF OPPOSITION PDM

Grand Turk TURKS & CAICOS NEWS in English 28 Mar 85 p 4

[Article by Oliver Mills]

[Text]

THE People's Democratic Movement has now been in opposition for about five years, and during this period, it has had a change of leadership. Many people have begun to ask whether the PDM could win a general election under its present leadership.

One of the main reasons for this question is that the opposition party is not as dynamic as it used to be under the previous leader, and because of this we only hear about the party every now and then. It is not consistent in holding meetings and workshops, and the electorate hardly ever sees any of its elected members anywhere.

The further factor is that every opposition party has a "shadow cabinet," with members designated to speak on certain topics in which they are knowledgeable, and when the legislature meets these members query the various areas for which they are given responsibility and request certain information on why certain developments have not taken place, and even suggest alternatives. There is no evidence that the PDM has such a shadow cabinet, and this is one of the weaknesses it has to correct.

An interesting observation is that it does not appear that the party has any additional candidates, apart from its three elected members, lined up for a possible election in the near future. The questions that everyone is asking are: What has happened, is happening and will happen to the PDM as an opposition party? Will it disintegrate and become irrelevant to the future politics of the Turks and Caicos, or will it gather new strength, come back to sweep the political scene, and so restore the image it should have of a dynamic political party with credibility? All this depends on what the present leadership does.

The present leadership of the PDM cannot be said to be charismatic or forceful. It does not even possess the political qualifications needed to turn the party around, and bring it back to its old days of glory. The leadership has yet to establish the trust and credibility that are needed to convince the electorate that it is supporting a would-be winner.

We do not hear of any political programme or philosophy coming from the leadership stating where it is head-

ed, and we do not hear any serious in-depth criticism of the policies of the present government, or any mention of any alternatives to them. What criticism is given is weak, petty and uninformed.

As a matter of fact, during the last Budget debate there was no evidence of familiarity with parliamentary procedure. The leadership appeared to be at a loss when various Bills were being discussed, and could give no informed response to counter arguments put forward by the government side. This further showed up the weaknesses of the party, in that there is no one with any legal training in its ranks. There is also no one with any training in political science who could assess the political implications of the various new ordinances.

Although the opposition is outnumbered in the legislature, there was no attempt to carry its case to the people, even though its recommendations might have been vetoed in the House. The opposition should have immediately arranged for a series of mass meetings to educate the people into the cut-and-thrust of parliamentary politics, as well as what effect the various

Bills would have on the community.

The PDM leadership missed this opportunity and gave the impression that it had no political will to go beyond what was discussed in the House. It therefore denied itself both a possible moral and political victory, and finds itself in the position of not knowing where it stands with the electorate, or where the electorate stands with it.

The question is: Does the PDM leadership have the energy and stamina to bring about the changes in the party that are necessary, if it is to function as the political machine it should be? If the PDM leadership has something big coming up, it had better declare its hand very soon, since other, new political forces might take advantage of its weak leadership and organisation and seize the political kingdom which a revitalised PDM could earn for itself if it were to realise that "Now is the time."

If the opposition PDM is really serious about making a political comeback, then several things have to be done. It must first solve the leadership problem, which is the main problem it now has. In all countries that have a parliamentary system of govern-

ment it is the practice that if a party loses an election, the leadership resigns immediately and the party ballots for a new leader. If the PDM is to function as a genuine opposition party, then it needs to have a leadership conference to decide on a bolder and more charismatic leadership.

This is of fundamental importance, since a new political situation has arisen in the Turks and Caicos, and a new kind and quality of leadership is needed to guide the party through it, and unite it around a set of political beliefs, as well as attract mass support for its programmes.

The PDM also needs to recruit more qualified persons into its ranks, particularly persons with a knowledge of the legal process, as well as those who have had some exposure to political science, finance, economics and education. The old PDM guard should take a back seat, where possible or necessary, and allow in new young lions to run the political show.

The old guard could be helpful in providing advice where it is needed. With this new blood in its ranks the party would be re-invigorated, and could be a match for the governing party as well as meet with the approval of the electorate.

This new PDM should then hammer out a political pro-

gramme indicating what it hopes to achieve, and the strategies to achieve these goals. This manifesto should be pragmatic, intelligently thought out and not smell of utopia. It should be in the realms of what is possible, and not raise false hopes. This programme should be placed before the people, so that they know what the party plans to do and where it plans to take them.

Finally, the new PDM should organise constituency groups, headed by responsible, serious people. These groups should meet monthly, and the meetings should be attended by the elected representative for the area or the "caretaker" candidate who is ready to contest that seat in any election that might be called.

At these meetings, the problems of the various constituencies and islands should be discussed and alternative solutions given. The media should be used to get the party's message across to the people, and candidates that the party puts forward should be always visible, so that the electorate can really feel and see that a change has indeed taken place in the PDM.

With these reforms, the PDM could well establish itself again as a force to be reckoned with in the country's politics.

17 May 1985

## TURKS AND CAICOS

## PROFESSIONAL PEOPLE FORM NEW, THIRD, POLITICAL PARTY

Grand Turk TURKS &amp; CAICOS NEWS in English 28 Mar 85 p 12

[Text]

A NEW political party, the Turks and Caicos United Party, has been established at the instigation of a number of leading professional people in the Islands, including lawyer Leon Smith and hotel owner Tina Fenimore.

The new party — which its creators do not wish to see abbreviated to its initials — has been in the making for some time, Mr. Smith told the *News*, but recent events had precipitated its formal establishment. A copy of the party's constitution was given to the Governor last Monday but no party officers have yet been named.

"Any *bona fide* Turks and Caicos Islander who wished to pledge support for the party would be more than welcome to join," said Mr. Smith, including members of the present government or opposition.

He felt that in view of what had happened, and regardless of whether the Chief Minister and his colleagues were right or wrong, it was only fitting that the PNP government should resign. "I feel it would be difficult for them to institute international relat-

ions with other nations because of the scandal." The convention was that when this sort of thing happened, any democratically elected government should seek a fresh mandate from the people.

How could prospective developers and investors deal with a party that had been scandalised, Mr. Smith said. "It's irrelevant whether the remaining members of government were involved or not, they are tarnished with the same brush."

Mr. Smith expects that the new party will field its first candidates in Salt Cay, North Caicos and South Caicos, if by-elections are held there. "If no elections are held, those constituencies will be unrepresented," he said. His party was concerned about all the Islands and the importance of attracting development to the Caicos Islands.

Mr. Smith, in practice in the Bahamas, expects to come to the Turks and Caicos soon to consult with his political colleagues. Meanwhile, he is talking with Turks and Caicos Islanders in the Bahamas to get their support.

CSQ: 3298/594

VENEZUELA

ECONOMY REPORTEDLY SHOWING SIGNS OF RECOVERY

Caracas EL UNIVERSAL in Spanish 7 Apr 85 p 2-2

[Article by C. R. Chavez]

[Text] The ostensible improvement in Venezuela's balance of payments and the unprecedented level of its international reserves (\$13 billion as of the end of last March, with about \$7.8 billion in free cash reserves) has prompted the International Monetary Fund (IMF) to include the bolivar once again among the currencies it uses for its regular transactions. Not only that, this situation has also "sensitized" the attitude and opinion of creditor bankers regarding Venezuela's real capacity not just to pay its debt (which is being renegotiated now) but also to regain its financial and commercial credit, which was suspended throughout the world 2 years ago.

It could be said that this is the beginning of a slow but sure economic recovery, one which will be long, vigorous, complex, and difficult. Nevertheless, it must take place before the end of this decade, because the country has the resources and is looking at an immediate opportunity that can and must be seized. Hence the rational optimism that marked the words uttered a few days ago in London by the president of the Central Bank of Venezuela (BCV), Benito Raul Losada, at the seminar organized by the FINANCIAL TIMES. Losada, after presenting an overview of the Venezuelan economy, discussed an issue which is foremost in everyone's minds:

Foreign Debt

"It is a great satisfaction for me," he stated, "to be able to tell you that the long process of restructuring Venezuela's international debts will reach a satisfactory end in the near future. The Venezuelan Government and the Banks Advisory Committee have reached an agreement on the basic terms for the refinancing of the public sector debts, and major progress has been made in solving the problems of the private sector debt. In a few weeks the parties involved will receive direct information about the terms of the agreement, and we hope that the pact can be signed by the middle of this year.

"Although the negotiations have been tough and complex, we must recognize that the negotiators, both those for the national government and those for the

banks, have achieved what represents one of the most important events in Venezuela's financial history.

"I think it worthwhile," stated Losada, "to review before this distinguished audience some of the principal aspects of the plan to refinance the Venezuelan public debt in a pact which will soon be signed. From the beginning, Venezuela had no intention of requesting new loans from the international banks. Moreover, our aims have centered on paying off the public sector debt over a 12 1/2-year period and accelerating the payments of the private sector debt within a brief period through procedures and regulations that we have been setting down and improving.

"Venezuela has substantial reserves and has managed to obtain a surplus in its balance of payments. We expect this situation to continue in the future. Therefore, we believe that we are in a position not only to refinance the debt but also to pay it off. At the same time, we have met all our debt payments to the multilateral institutions. In 1984 a total of \$1.76 billion was paid in principal payments on the public sector debt, and the 1985 total in that category may be higher.

"Given this economic picture, Venezuela had no need to ask for a stand-by agreement with the IMF. Some kind of supervision of the economy was undoubtedly needed during the 12-year period of the refinancing. The Venezuelan Government and the Central Bank have invited the IMF to send its representatives to the country every 6 months and to write reports on the progress of the economy. The banks and the Venezuelan Government feel that this is the best way to proceed, in keeping with Venezuela's special circumstances.

"As happens in all refinancing schemes, certain technical aspects posed problems, which in our case were solved by the good will shown by the parties. One of these problems was the desire of some non-U.S. banks to change the denomination of their dollar loans to the currencies of their home countries. Given that we plan to pay off the debt, these currency changes in loans could pose potential exchange risks to Venezuela. Therefore, we have reached an agreement with the banks whereby approximately \$3 billion of the current public sector loans could be subject to this change in currency.

"As for the private debt, we should emphasize that the negotiations concerning Venezuela's debt have been exceptional. The government made it very clear during the negotiations that there should be no link between the negotiations of the public sector debt and those of the private sector debt. In spite of that, the government set up a mechanism that enables Venezuelan private businesses to gain access to dollars at a preferential exchange rate to pay the principal and interest on their debts. The government felt (and continues to feel) that the refinancing of the private sector debt should be negotiated exclusively between the banks and each of these companies. The government and the Central Bank established a support infrastructure, but they are not to play any role in individual credit decisions.

"I think that this viewpoint was recognized from the beginning of the negotiations, but problems arose out of the procedures to register the debt and the delays in interest payments by some of the private sector firms. Soon after

the crisis began, the government decided that the private sector debt (exclusive of foreign currency assets) would be recognized at an exchange rate of 4.30 bolivars (the previous rate) for the payment of the principal, and that preferential-rate dollars would be supplied for interest payments on those debts. Initially, the interest payments were to be made at the previous exchange rate, and in 1984 the new official exchange rate of 7.5 bolivars to the dollar was to be observed.

"Nonetheless, as you can imagine, the implementation of this kind of system was not easy, considering the need to serve both the debtor businesses and the Venezuelan taxpayers. Consequently, the process of registering the debt in the Recadi offices took several months, quite a long time. This process has been speeded up considerably in recent months, however, and it is just about completed.

"The refinancing of the private sector foreign debt will proceed quickly from now on. The delays in interest payments will become shorter from month to month, and we believe that in the very near future these interest payments will be up to date. Obviously, there will be businesses that do not have enough bolivars because of economic problems. In our opinion, the number of businesses in this situation is small, and I personally trust that they and their creditor banks will be able to arrive at individual solutions to their problems.

"In general terms, the outstanding loans in the private sector will be refinanced on the basis of a 7-year term, with payments beginning after a 2-year grace period. Dollars will be provided to those debtors who agree to this refinancing at the aforementioned exchange rate, 4.30 bolivars, for principal payments, and the new official exchange rate for interest payments. In some specific cases, because of the nature of the debt and/or for reasons of national interest, special rules have been necessary. All of these points illustrate how committed the Venezuelan Government is to helping the private sector refinance its debt and adjust to the new exchange rates and the new economic conditions.

"It is also important to note that since the beginning, the Venezuelan Government and the BCV have allowed a free dollar market to exist. Any business, institution or individual has access to this market for interest or principal payments. This is a fluid market, and although its prevailing exchange rate is higher than the official rate of 7.5 bolivars, this market subsists and functions. It is clear, therefore, that the government has made preferential-rate dollars available to those businesses that sign refinancing pacts with the international banks, and has also stimulated the development of a free dollars market.

"In my opinion, the adoption of these financial and economic measures, which are crucial during these difficult economic times, proves that the Venezuelan Government has made a significant commitment to keeping the private sector healthy. It also illustrates that the problems that concerned and bothered the international financial community have been cleared up, and are in the process of being solved satisfactorily."



## Economic Prospects for Latin America

"Finally, I would now like to leave behind the specific case of my own country and discuss the general economic problems and prospects of Latin America. The entire region has undergone a serious economic reversal during the last 4 years, and is only just now showing signs of recovering from the severe recession. The international debt crisis has been traumatic both for those of us who live in Latin America, and for the international banks and the international financial community.

"It is also important to recognize, however, the progress we have made throughout the region in coping with the debt crisis. The critical point was the change in the current account balance of the countries as a whole. In this regard, it should be pointed out, for example, that Latin America in 1981 and 1982 incurred a current account deficit in the balance of payments amounting to approximately \$40 billion, which was reduced to \$3 billion by 1984. Imports have been cut back, and one country after another has not only managed to increase its traditional exports to the United States and other parts of the world, but has also developed the area of non-traditional exports. Moreover, the import substitution process has accelerated, though there is no doubt that the most important factor has been the improvement in the current account situation of all Latin American countries as a whole. This factor has also been fundamental in the debt negotiations. I personally am very doubtful that the restructuring on the basis of extending the payment periods would have been possible if this improvement in the current account had not taken place. Therefore, this favorable trend must be maintained in the future.

"Despite this, we must not lose sight of the fact that potentially serious problems loom on the horizon. After 3 years of recession--in some cases more--it is imperative that Latin American countries achieve a positive economic growth rate in 1985 and 1986. There are some signs that this is beginning to happen, although growth rates tend to be moderate and in some cases they are on a shaky footing. At the same time, other countries are still undergoing a recession, primarily those that are receiving low prices for their exports.

"Economic growth in the countries of the Organization for Economic Cooperation and Development (OECD) area is a critical factor in Latin America's economic well-being. We need healthy export markets so that we can pay off our debts within the terms set forth. If this growth does not happen, or takes a long time to emerge, it will be manifested in a deterioration of our current account position, which could have serious consequences. Prices of exports are already subjected to a downward pressure, which is partly due to the strength of the dollar. Oil prices have slumped, and if this trend continues, the revenues earned by Venezuela, Mexico and Ecuador will obviously fall.

"With an overall debt of \$350 billion, Latin America is extremely vulnerable to fluctuations in interest rates in the United States. The drop in interest rates in that country during the fourth quarter of 1984 represented an annual savings of some \$12 billion, but nearly half of that savings has already been lost so far in 1985. In view of the low inflation rate in the United States and Western Europe, we hope that ways can be found to keep interest rates low,

and preferably to achieve a reduction in real interest rates. This would enable us not only to grow more rapidly, but also to decrease the proportion of export earnings earmarked for servicing the debt. Any new increase in interest rates would inevitably bring about severe problems for Latin America.

"In the medium term, I see a Latin America very different from that of the 1970s. Our dependence on loans from international commercial banks will decrease, except for the financing of trade and development projects. It will never be possible to return to the days of the 1970s, when the banks expanded their credit to the region by more than 20 percent. The banks will not be so willing to grant loans at such a rate, but--and this is equally important--neither will Latin American countries want to obtain such large amounts of credit and risk another foreign debt crisis. On the other hand, we do think it is desirable to reactivate external financing in the form of direct investments or capital shareholding, and we hope that this kind of investment increases over the next decade. The change that has taken place in the area's economic environment is contributing to the creation of new export industries, which in turn will open the door for new opportunities for joint ventures with foreign partners. Once again, we should point out that it is imperative for the United States and Western Europe to keep the doors open to our countries' exports, for the benefit of all.

"In conclusion the convulsions of the international debt crisis have given rise to a number of positive experiences that I think will help Latin America resume its position in the international financial community in a few years. For the best interests of Latin America and of the international financial community, it is essential that our countries be successful in their efforts to attain moderate growth once again, and to keep their balances of payments in equilibrium. We have been gaining time to adjust our payments through overall refinancing agreements, and now we need continued access to open markets so that we can boost our exports. In this way, we will be able to grow, and will be in a position to service our debts. Venezuela and Latin America, with the help of the international financial community, have made great strides in the past 3 years. We intend to continue to do our part to regain total confidence. The bricks are ready for the building process, and my own country is playing a very important role in this project."

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17 May 1985

## VENEZUELA

## CONGRESS PRESIDENT ON LUSINCHI'S TRIP TO U.S., OTHER ISSUES

Caracas EL UNIVERSAL in Spanish 7 Apr 85 p 1-14

[Article by Jorge Villalba]

[Text] "I am certain that President Lusinchi's trip to the United States will have positive results in consolidating the recent build-up of confidence in the country from the economic and financial standpoint," stated Senator Reinaldo Lenadro Mora, president of the Congress, yesterday.

Leandro Mora elaborated on the comments he had made for yesterday's edition of EL UNIVERSAL with respect to the president's trip, in response to rumors and speculation concerning his medical examinations in Boston. An Associated Press cable from that city quoting the local Venezuelan consul, Astrid Consalvi de Lepage, had sparked the rumors.

The president of the Congress asserted that he had spoken on the phone with President Lusinchi yesterday morning, and that he was in good health. The president was preparing the details for his working meetings with American officials and institutions, beginning tomorrow.

"It is really wise of the president to take advantage of these days off (due to Holy Week) not only so that he can get a well-deserved rest, but also to strengthen his policy of rescuing the nation's credit standing, for which he has worked so hard," he said.

When we repeatedly asked about rumors that Lusinchi went to the United States primarily for a medical check-up, the high-ranking Democratic Action (AD) official commented that "any trip by a chief of state is often subject to speculation."

"The important thing is the results, and we are certain that they will be positive. . . I had a chance to talk with him (Lusinchi) by phone, and not only is he very well, but he is preparing for the meetings he will attend over the next few days. He is really optimistic about those meetings."

Leandro Mora revealed that in addition to the formally scheduled meetings between the Venezuelan president and U.N. Secretary General Javier Perez de Cuellar, Ecuadorean President Leon Febres Cordero, and representatives of the Council of the Americas, informal contacts with international banking offi-

cials, U.S. Federal Reserve Chairman Paul Volcker, and representatives of U.S. export and import trade, have not been ruled out. He will talk with those officials about opening that country's markets up to non-traditional goods from Venezuela.

#### AD Candidacy

When asked about the internal situation in AD, in particular about the reform of the by-laws, which will culminate in the election of the political organization's new leaders, Leandro Mora indicated that the By-laws Reform Committee, chaired by Carlos Canache Mata, is about to finish its work. The draft report will be studied by the National Executive Committee (CEN) and sent to the CDN [expansion unknown] for consideration. That should take place in May at the latest.

Although he admitted that he did not know all the details of the by-laws reform plan, he indicated that among its most important aspects is the opening of the process for the designation of party officials and the presidential candidacy. Another important feature is the restrictive provisions that prevent these process from advancing prematurely.

As for the process of electing new party authorities, he indicated that in the opinion of AD Secretary of Organization Luis Alfaro Ucero, it could begin in September and possibly end in December or January 1986. Leandro Mora in no uncertain terms praised the work carried out by Senator Alfaro Ucero and his team at the Secretariat of Organization in outlining the internal process.

In terms of the methodology for the election process, the AD vice-president stated that it has not yet been defined, but he personally feels that the most advisable procedure would be for the members of the municipal and grassroots committees to elect the officials directly, while the sectional committees and delegates to the National Convention should be designated in the traditional system of conventions but with larger numbers of participants in order to increase representation.

"At this time, however, some AD members advocate a direct election by the rank-and-file members, even to choose the presidential candidate. . ."

"For the election of the presidential candidate, I favor the system of electoral colleges, and I will so state on the appropriate occasion. The system should be expanded, however, to provide an opportunity for greater numerical as well as qualitative participation. That way, all the sectors of the party will be able to participate, unlike the last time when about 19,000 or 20,000 members took part."

"But the AD presidential primary candidates are already active," we noted, "including at least six people who are already campaigning throughout the country."

"I think that the aspirants should adhere to the decision made by the party's national board, which very emphatically prohibited campaign activities. After all, the primary objective of the party's and its leaders' actions is to serve

the country, supporting the work of President Lusinchi's administration, contributing ideas and guaranteeing a climate of normalcy. This is required of all political organizations during difficult times for a country, especially the party that is responsible for governing the nation."

"Do you think that AD presidential aspirants have ignored this directive?" we asked.

"Sometimes one has the impression that the desire to become a candidate leads them to the mistake of behaving inappropriately; they forget that working for a candidacy at this time will not win the support of the party rank and file or of the nation, since what Venezuelans really want is for all of us to help find the solution to the major problems that beset the country. They do not want us to devote ourselves to activities that confuse or disturb the efforts that Jaime Lusinchi is making as president of the republic to bring about a recovery."

#### Parliamentary Work

Leandro Mora was also asked about Congress's priorities in the coming weeks.

In this regard, he stated that April will be a propitious time for two major political debates, on the presidential message and on the 7th National Plan. They will be held in a joint session of the two houses.

"In May we will begin devoting our efforts primarily to legislative tasks. We still have to reform the laws governing the Central and Decentralized Administration, and we are awaiting guidelines from the Executive on the elimination or merging of ministries and other government entities, so that we can discuss those issues," he said.

Finally, Leandro Mora commented that this year there will be great strides in making organizational and functional changes in Congress in order to streamline its operations. After Holy Week the Gabaldon-Oberto report will be submitted, concerning the organizational reform of Parliament. In addition, studies on the reorganization of the physical plant are underway.

With regard to the latter point, he reported that contacts have been made with the Finance Ministry to request that some floors of the National Development Bank (BND) building on the corner of Carmelitas be ceded to Congress so that some administrative offices can be located there.

The transfer of the Legislative Commission and some permanent committees to the Palace of the Academies is also being processed and will take place as soon as the Supreme Court of Justice moves to its new headquarters in the Liberator Forum to make room for the medical services that will be installed in the Legislative Palace.

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